(13)

Supreme Court, U.S.
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CLERK

No. 01-584

In The

Supreme Court of the United States

WANDA ADAMS, *et al.*,

Petitioners,

v.

FLORIDA POWER CORPORATION and
FLORIDA PROGRESS CORPORATION,

Respondents.

**On Writ Of Certiorari To The
United States Court Of Appeals
For The Eleventh Circuit**

JOINT APPENDIX
Volume I, Pages 1 to 191

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RELEVANT DOCKET ENTRIES

U.S. District Court
Middle District of Florida (Ocala)

Proceedings include all events.
5:95cv123 Adams, et al v. Florida Power Corp., et al.

			TRLSET
			HTS
12/11/96	84	ORDER GRANTING CLASS CERTIFICATION; granting [8-1] motion for class certification. The court conditionally certifies a class under the Age Discrimination in Employment Act, 29 U.S.C. Sec. 621, et seq. The putative class is defined as former employees of Florida Power Corporation who were discharged during a reduction in force through its redeployment or career transition processes who were 40 years of age or older at that time, and whose termination occurred on or after 7/1/93 and through the date of the "Notice" (attached as Appendix A). "Consent to Join Action" is attached as Appendix B. The clerk shall send Appendices A & B to each person in the putative class. Defendant will submit a list of names and addresses of the putative class members to the clerk and plaintiffs' counsel. Plaintiffs' counsel will supply the clerk self-addressed postage paid envelopes containing the Notice and Consent. The clerk shall mail them by registered mail, requesting return receipt, for filing with the court. Parties will not initiate new discovery during the period for opting provided by the

Notice. An evidentiary hearing will be set at the conclusion of discovery, re: continuation of conditional class certification. Ruling on all other pending motions is reserved until after the opt period. A status conference will then be set, re: case management. (Signed by Judge Wm. T. Hodges) ctc (jsf)

* * *

6/22/98 215 ORDER, the clerk is directed to file the plaintiff's proposed 6th amended complaint as the plaintiff's 6th amended complaint nunc pro tunc to 11/21/97; granting in part, denying in part [45-1] motion to dismiss [42-1] 2nd amended complaint, all of the ERISA claims alleged in the 6th amended complaint are dismissed without prejudice, the plaintiffs shall have 10 days from the date of this order in which to reallege their ERISA claims by filing an amendment to the 6th amended complaint; defendants shall move or answer any amendment filed by the plaintiffs within 10 days of service with any such amendment; granting in part, denying in part [30-1] motion for summary judgment on defendants' counter-claim against the plaintiffs Catlett, Gaudlin, Janowski and Pennington, the plaintiff's are entitled to judgment on the counterclaim with respect to the ADEA claims of Joe Brannon, Thomas Catlett, Jr., Mickey Gauldin, Douglas Janowski and James Pennington; the clerk is

directed to withhold the entry of judgment pending resolution of the case as a whole; granting in part, denying in part [53-1] motion for summary judgment on its counterclaim; Florida Power is entitled to judgment on the counterclaim with respect to the FCRA claims of Joe Brannon, Thomas Catlett, Jr., Mickey Gauldin, Douglas Janowski and James Pennington; the clerk is directed to withhold the entry of judgment pending resolution of the case as a whole; granting [167-1] motion for summary judgment the time-barred ADEA claims of plaintiffs Boyle, Engers, Maraget, and Owens; the clerk is directed to withhold the entry of judgment pending resolution of the case as a whole; granting [197-1] motion to sever the claim of Kermit Lassiter and Mr. Lassiter's claims will be tried separately from those of the other plaintiff's; denying [204-1] joint motion to appoint magistrate to handle all discovery matters; the defendants are directed to file any motion to decertify the class they deem necessary within 30 days; the clerk is directed to refer any future motions to amend the complaint, answer or counterclaim to the District Judge for decision. (Signed by Wm. T. Hodges) ctc MFR Number 139/2312-2338 (acp)

6/22/98 216 SIXTH AMENDED COMPLAINT by Wanda L. Adams, Leo L. Floyd, Chester Wagoner, et al. amending [42-1] amended complaint; jury demand.

Answer Due 7/2/98 for Florida Power Corp. (acp) [Entry date 06/23/98]

* * *

8/19/98 221 MOTION by Florida Progress, Florida Power Corp. to decertify (the ADEA representative class); filed nunc pro tunc as of 8/10/98 per order #228. (acp) [Entry date 08/20/98] [Edit date 09/01/98]

* * *

8/19/98 223 SUPPLEMENT by Florida Power Corp., Florida Progress to motion to decertify (originally filed on 8/14/98) (acp) [Entry date 08/20/98] [Edit date 08/20/98]

* * *

8/28/98 226 SECOND SUPPLEMENT to [221-1] motion to to decertify by Florida Power Corp. (acp)

* * *

8/31/98 229 MEMORANDUM by Florida Power Corp., Florida Progress in support of [221-1] motion to decertify (the ADEA representative class), filed nunc pro tunc as of 8/10/98. (acp) [Entry date 09/01/98]

* * *

10/1/98 234 RESPONSE with memorandum of law by Wanda L. Adams, Leo L. Floyd, Chester Wagoner, et al., to [221-1] motion to decertify (the ADEA representative class) (with exhibits) (exhibits

filed separately in 2 folders) (mfk) [Entry date 10/02/98]

* * *

10/13/98 240 MOTION by Wanda L. Adams, et al. for leave to file amended response to defendants' motion to decertify referred to Magistrate Judge Howard T. Snyder (evs)

10/16/98 241 ORDER granting [240-1] motion for leave to file amended response to defendants' motion to decertify. The clerk is directed to file, plaintiffs' amended response to defendants' motion to decertify which was submitted with the motion. (Signed by Magistrate Judge Howard T. Snyder) ctc (evs)

10/16/98 242 AMENDED RESPONSE by Wanda L. Adams, et al to [226-1] motion to decertify (evs)

* * *

8/26/99 302 ORDER denying [263-1] amended motion to enforce settlement (amended) granting [238-1] motion for summary judgment granting [221-1] motion to decertify (the ADEA representative class); it is further ordered that the parties show cause, if any, by written memoranda to be filed with 20 days why the Court should not certify this Order to the USCA (Signed by Judge Wm. T. Hodges) ctc (mam)

* * *

United States Court of Appeals
11th Circuit – Atlanta

* * *

11/18/99	/ /	Defendants' Opposition to Plaintiffs' Petition for Permission to Appeal

* * *

12/27/99	/ /	Probable Jurisdiction Noted

* * *

07/05/01	/ /	Opinion Issued
07/05/01	/ /	Judgment Entered

* * *

IN THE UNITED STATES DISTRICT COURT FOR
MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, *et al.* Plaintiffs, v. FLORIDA POWER CORPORATION and FLORIDA PROGRESS CORPORATION Defendants.	)	CIVIL ACTION NO.: 95-123-CIV-OC-10[A]

ORDER

(Filed Dec. 11, 1996)

This matter is before the Court on (1) Plaintiffs' Motion for Class Certification [Doc. 8], (2) and all other pending motions filed by Plaintiffs and Defendants. The Court, having read and considered Plaintiffs' Motion for Class Certification and Defendants' response thereto, and having considered the full record and all submissions and arguments of counsel, rules as follows.

1. *Plaintiffs' Motion for Class Certification*: The Court hereby conditionally certifies a class under the Age Discrimination in Employment Act, 29 U.S.C. § 621, *et seq.* The putative class is defined as former employees of Florida Power Corporation who were discharged during a reduction in force through its redeployment or career transition processes who were 40 years of age or older at the time of such discharge and whose termination

occurred on or after July 1, 1993 and through the date of the Notice attached as Appendix A.

The clerk will send the "Notice", attached hereto as Appendix A, along with the "Consent to Join Action" attached hereto as Appendix B, to each person in the putative class.

The Defendant Florida Power will submit a list of the names and last known addresses of the putative class members to the Clerk and Plaintiffs' counsel. Plaintiffs' counsel will supply to the Clerk, for mailing, addressed, stamped envelopes containing the Notice and Consent to Join Action. The mailing shall be by Registered Mail, Return Receipt Requested. Return Receipts, as executed by the recipients, will be returned to the Clerk for filing as a part of the record in this case.

The parties will not initiate any new discovery during the opt in period provided by the Notice.

The Court will conduct an evidentiary hearing at the conclusion of discovery to determine whether this action will proceed as a class action pursuant to 29 U.S.C. § 216(b), which incorporates Section 16(b) of the Fair Labor Standards Act, or whether the conditional class certification should be vacated.

The Court's conditional certification of the class does not constitute any determination regarding the ultimate appropriateness of a class action; and/or the merits of the Complaint; the defenses alleged in the Answer; or the counterclaims asserted.

2. *All other pending motions*: The Court will reserve ruling on all other pending motions filed by the Plaintiffs

and Defendants until after the period for opting into the conditionally certified class has expired. A status conference will be scheduled by the Court after the opting in period has expired for purposes of entering a case management order to govern further proceedings in this case including discovery, motions for summary judgment, and trial.

This the 11th day of ~~November~~ [December], 1996.

/s/ W. Terrell Hodges
Judge William Terrell Hodges
United States District Court
Middle District of Florida

[c: Counsel of Record
Courtroom deputy]

APPENDIX A

IN THE UNITED STATES DISTRICT COURT FOR
MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, *et al.*	)	
	)	
Plaintiffs,	)	CASE NO.
	)	
v.	)	95-123-CIV-OC-10
	)	
FLORIDA POWER CORPORATION and FLORIDA PROGRESS CORPORATION	)	
	)	
Defendants.	)	

NOTICE

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR LEGAL RIGHTS MAY BE AFFECTED. YOU HAVE BEEN SENT THIS NOTICE BECAUSE YOUR EMPLOYMENT WITH FLORIDA POWER CORPORATION WAS TERMINATED IN CONNECTION WITH THE REDEPLOYMENT OR CAREER TRANSITION PROCESS AND YOU WERE AT LEAST 40 YEARS OLD AT THAT TIME. THE FACT THAT YOU ARE RECEIVING THIS NOTICE DOES NOT MEAN THAT A DECISION HAS BEEN MADE THAT YOU WERE TERMINATED BY FLORIDA POWER CORPORATION BECAUSE OF YOUR AGE. THAT DECISION WILL BE MADE BY THE COURT AND/OR A JURY IN THE EVENT THAT YOU DECIDE TO BECOME A PARTY TO THIS LITIGATION AS DESCRIBED BELOW.

On July 5, 1995, the above titled case was originally filed in the Federal District Court, Middle District of Florida, Ocala Division, alleging that Florida Power Corporation and Florida Progress Corporation discriminated against Plaintiffs on the basis of their age, in violation of the Age Discrimination in Employment Act of 1967, as amended, (ADEA), 29 U.S.C. § 621 *et seq.* by terminating their employment in connection with the Redeployment and the Career Transition processes, during the time period from July 1, 1993 through the date of this notice. In this case, Plaintiffs seek back wages, damages, and attorney's fees arising out of their terminations.

Florida Power Corporation and Florida Progress Corporation deny that they discriminated against Plaintiffs on

the basis of age, in violation of the ADEA. Florida Power Corporation and Florida Progress Corporation contend that Plaintiffs' employment with Florida Power Corporation was legitimately terminated. In addition, Florida Power Corporation and Florida Progress Corporation contend that, as to those Plaintiffs who signed releases in connection with Career Transition Agreements and received severance payments, that those releases waived Plaintiffs' claims under the ADEA, and that therefore, those claims are forever barred.

As to those Plaintiffs terminated under the Career Transition process, Florida Power Corporation and Florida Progress Corporation have filed a counterclaim alleging that the filing of the claims in this suit constitutes a breach of the Career Transition Agreement, and are seeking to have the Court require those Plaintiffs to return the entire amount of severance payment before the Court will allow those Plaintiffs' claims to be heard. The counterclaim also seeks attorney's fees and other damages from the Plaintiffs.

The question of what relief Plaintiffs or Defendants may be entitled to, if any, will be determined by a judge or jury at the time of trial. This notice is for the sole purpose of determining the identity of those persons who wish to become parties in this case.

At the request of the Plaintiffs, the Court has conditionally certified a Class and is sending you this notice to inform you that you may join that class if you so desire. The fact that the Court has conditionally certified this class does not mean that the Court has decided one way or the other whether this case will ultimately proceed to

trial as a class action. At a later point in this action, Defendants will have the right to request the Court to decertify the conditional class in this action. Nor does this notice indicate one way or another the Court's views on the merits of the claims of any of the parties in the class.

IF YOU THINK THAT FLORIDA POWER CORPORATION OR FLORIDA PROGRESS CORPORATION HAS DISCRIMINATED AGAINST YOU ON THE BASIS OF YOUR AGE, YOU MAY JOIN THIS LAWSUIT AS A PARTY. IF YOU DECIDE TO JOIN THIS CASE BY FILING YOUR CONSENT, YOU WILL BE BOUND BY THE JUDGMENT OF THE COURT ON ALL ISSUES IN THIS CASE, WHETHER IT IS FAVORABLE OR UNFAVORABLE TO YOU AND YOU WILL BE BARRED FROM ASSERTING ANY OTHER CLAIMS AGAINST THE DEFENDANTS ARISING OUT OF YOUR EMPLOYMENT AND/OR THE TERMINATION OF EMPLOYMENT BY FLORIDA POWER CORPORATION OR FLORIDA PROGRESS CORPORATION.

If you wish to join this action, you must sign and return the enclosed "Consent to Join Action" before a Notary Public within 90 days of the date you receive this notice. Date and mail the original and three (3) copies of the signed Consent to Join Action to the **Clerk, United States District Court, Middle District of Florida, 311 W. Monroe Street, Room 110, P. O. Box 53558, Jacksonville, FL 32201**

If you become a party to this action and do not prevail on your claims, you will become liable for costs incurred by

Florida Power Corporation and Florida Progress Corporation. In addition, if you were terminated in connection with the Career Transition process, and signed a Career Transition Agreement, you may be required to return the entire amount of your severance payment prior to being permitted to prosecute your claim. In any event, the amount of your severance payment will be offset against any damages awarded to you.

As already stated, you are not required to join in this case by filing your consent or to take any action at all, unless you want to. It is completely voluntary. However, your determination whether or not to take action should be made promptly.

The attorney representing all named Plaintiffs except Mickey Gauldin is: Edward L. Scott, Esq., Scott & Gleason, P.A., 409 S.E. Fort King Street, Ocala, Florida 34471. Howard J. Shifke, Esq., 701 N. Franklin Street, Suite 200, Tampa, Florida 33602 represents Plaintiff Mickey Gauldin.

The attorneys representing the Defendants are: Sylvia H. Walbolt, Esq. and Marylin E. Culp, Esq., Carlton, Fields, Ward, Emmanuel, Smith & Cutler, One Harbour Place, Post Office Box 3239, Tampa, FI. 33601; J. Lewis Sapp, Esq. and Nancy F. Reynolds, Esq., Elarbee, Thompson & Trapnell, 800 Peachtree-Cain Tower, 229 Peachtree Street, N.E., Atlanta, Georgia 30303; and Rodney E. Gaddy, Esq., Florida Power Corporation, 3201 34th Street South, P. O. Box 14042, St. Petersburg, Florida 33733.

The papers in this litigation may be inspected at the Office of the Clerk of Court, 311 W. Monroe Street, Room 110, Jacksonville, FL 32201.

PLEASE DO NOT CALL OR WRITE TO THE COURT, CLERK OF THE COURT, THE PARTIES OR COUNSEL FOR ANY OF THE PARTIES. IF YOU DECIDE TO OPT INTO THE CLASS BY RETURNING THE "CONSENT TO JOIN ACTION", IN THIS LAWSUIT, YOU WILL BE CONTACTED BY EDWARD L. SCOTT, ATTORNEY FOR THE PLAINTIFFS.

This notice is dated December (Month), 11 (Day) 1996.

/s/ Mary Frances Kennilly
[Deputy] Clerk, United States
District Court
Middle District of Florida

APPENDIX B

IN THE UNITED STATES DISTRICT COURT
FOR MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, *et al.*	)	
	)	
Plaintiffs,	)	CIVIL ACTION NO.:
	)	
v.	)	95-123-CIV-OC-10
	)	
FLORIDA POWER CORPORATION and FLORIDA PROGRESS CORPORATION	)	
	)	
	)	
Defendants.	)	

CONSENT TO JOIN ACTION

I have received and read the Notice mailed by the Clerk of Court regarding the conditional certification of a class in this lawsuit.

I wish to join this lawsuit as a party and have signed this notice in the presence of a notary public.

THIS NOTICE MUST BE RETURNED TO THE CLERK, UNITED STATES DISTRICT COURT, 311 W. MONROE STREET, ROOM 110, P.O. BOX 53558, JACKSONVILLE, FLORIDA 32201 WITHIN NINETY (90) DAYS OF YOUR RECEIPT OF THE NOTICE IF YOU WISH TO JOIN THE ACTION.

I signed this Notice on _____ (Month), _____ (Date) 199__.

_____
Signature

_____
Print Name

_____
Social Security Number

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1996 by _____ (name). He/she [*please check as applicable*] | _____ | is personally known to me, or has produced | _____ | his/her _____ (state) driver's license, or | _____ | his/her

_____ [*type of identification*] as identification.

_____
Signature

_____
Printed Name

[*AFFIX NOTARIAL SEAL*]

NOTARY PUBLIC STATE OF FLORIDA

_____
Commission Expiration Date

_____
Serial Number, If Any

_____

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, JAMES AKIN, LINDA BALDWIN, WILLIS BARNES, PHILIP BASSA, LARRY BAYES, PATSY BAYHARD, JAMES BECK, CHERYL BECKER, GARY BECKER, CYNTHIA BEHRENS-BOGA, EARL BETTIS, RICHARD L. BOREMAN, JEROLD A. BOYLE, LINDA BOYLE, GERALD BRANNEN, JOE N. BRANNON, DONALD BREDDEN, DONALD P. BROECKEL, RICHARD BROWN, LORIN BRYAN, ROBERT BUNCH, JUDITH A. CAREY, THOMAS CATLETT, JR., CHARLES COFFMAN, MARJORIE COPELAND, KENNETH CORBETT, EARL DOBY, SAMUEL DUPUY, TOM ENGERS, GWENDOLYN EVANS, PAUL FINTAK, LEO FLOYD, RAY FOREHAND, ELAINE BARNES-FOSTER, MARK FOSTER, GREGG FRANGIPANE, ROBERT FREELAND, JACK FREMGEN, VALERIE FRONZA, JOHN GALLAGHER, MICKEY GAULDIN, NARENDRA GARG, POLLY GILLESPIE, RALPH GRAVES, LINDA GROSECLOSE, MICHAEL HARMELING,

CASE NUMBER:
95-123-Civ-Oc-10A

THOMAS HAYS, EUGENE HAYWARD, GOPAL HEDGE, DAVID HODGSON, PETER HOLLIDAY, ROY C. HOOKS, WILLIAM E. HOOVER, DAYTON JACKSON, DOUGLAS JANOWSKI, CARRIE JONES, WILLIAM KENEFIK, STEPHEN KOON, GERALD LAMM, II, KERMIT LASSITER, SARA HAYMAN-SMITH, SARANAN LAUCK, THOMAS LIVINGSTON, JR., RAYMOND P. LONG, LINDA MARAGET, JOHN MASCOLL, BOB MASON, GLORIA MAXWELL, MARY MCCOY, CAROL MCFADDEN, ANNIE MCKINNEY, RICHARD MERRIMAN, JAMES MOOCK, MICHAEL MOORE, DAVID MORRIS, THOMAS NEMAN, JR., JAMES OWENS, WILLIAM PASSMORE, ADOLFO PAZ, JAMES M. PENNINGTON, MARK PETERSEN, ANDRE POULARD, TREVOR PUTNAM, MARCIA QUINN, DAVID REED, JOE REID, WILLIAM RICH, ALEXA RICHARDSON, TERRANCE RYAN, PATTI JO SCHMIDT (VITTE), LORENE SCOTT, TERRIE SCOTT, RANDY SEIFERT, JOHN SERBA, DARWIN SHIFLETT, JIRI SKALA, JAMES C. SMITH, JANET SMITH, WILLIAM A. SMITH, PATRICIA SOLKI, G. ALLEN SUBAN, WILLIAM SULLIVAN, STEVE TWITTY,

EDWARD URAL, ROBERT URBAN, JOSEPH B. VAUGHAN, DAVID VISSER, DANIEL WAGNER, CHESTER WAGONER, GARY WALDO, DIANNE WESTBROOK, WENDY WHEELER, CARL E. WILLIAMS, JR., DALE WILSON, BARRY WOOD, and GUY ZISSIMOPULOS.

Plaintiffs,

v.

FLORIDA POWER CORPORATION, and FLORIDA PROGRESS CORPORATION,

Defendants.

_____/

SIXTH AMENDED COMPLAINT
JURY TRIAL DEMANDED

COME NOW the plaintiffs, by and through their undersigned attorney, and sue the defendants, Florida Power Corporation and Florida Progress Corporation, and as grounds states as follows:

ALLEGATIONS COMMON TO ALL COUNTS

1. This is an action for injunctive relief and damages to redress deprivation of rights secured to the plaintiffs under the Age Discrimination and Employment Act of 1967, as amended, (ADEA) 29 U.S.C. § 621 et. seq. The plaintiffs also seek declaratory, injunctive, and equitable relief and attorneys fees and costs for the defendant's

wrongful interference with plaintiffs' pension rights in violation of the Employee Retirement Income Security Act, 29 U.S.C. § 1140. Jurisdiction is in this court pursuant to 29 U.S.C. § 621 et. seq., 29 U.S.C. § 1140 et. seq., and 28 U.S.C. § 1331 and 1337. Plaintiffs further invoke this court's pendant jurisdiction over their state law claims as set forth in counts XXXV through LI in this amended complaint.

2. This is a class action brought by the plaintiffs on their own behalf and on behalf of others similarly situated pursuant to the Fair Labor Standards Act, which governs civil actions under the ADEA, 29 U.S.C. § 216(b). The class represented by the plaintiffs consist of:

A) All persons who are at least age 40 who were terminated and/or discharged by the defendants in the defendants' redeployment program and/or career transition process in or about the fall of 1993 and continuing thereafter.

3. The plaintiffs have been informed and believe, and on such information and belief allege, that the class members number may be in excess of 380 and that joinder of all class members is impracticable. In the alternative, the plaintiffs request to proceed as multi plaintiffs in this single action.

4. The defendants' actions and threatened action as hereinafter alleged, are applicable to any and all members of the class.

5. The parties to this action have not engaged in any collusion in bringing this suit.

6. The plaintiffs have no interest antagonistic to other members of the class.

7. The plaintiffs can adequately represent the interest of other members of the class. Plaintiffs' claims are typical of claims of other members of the class, who are subject to the same deprivation of their rights by the defendants as hereinafter alleged.

8. There are questions of law and fact common to all members of the class.

9. The prosecution of separate actions by individual members of the class would be impractible [sic] because:

A) At the time of filing this complaint there are numerous other potential members who have shown a desire to become parties to this action and it is impractible [sic] for the plaintiffs to constantly have to amend their complaint to add new parties.

B) Inconsistent adjudications regarding individual members of the class would establish incompatible standards of conducts [sic] for the defendants, whose actions and threatened actions apply generally to any and all members of the class; and

C) Adjudications with respect to individual members of the class would be dispositive of the interest of other members not parties to the suit, since defendants' actions and threatened actions apply generally to any and all members to the class.

10. Questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and a class action is superior to

other available methods for the fair and efficient adjudication of the controversy, inasmuch as the individual members were deprived of essentially the same rights by the defendants' actions and threatened actions, and differ only in collateral aspects of their factual situation.

11. Venue is in this court pursuant to 28 U.S.C. § 1391 in that the defendants is [sic] doing business in this district, and the activity giving rise to the plaintiffs' claims took place in this district.

12. The defendants are business corporations organized and existing under the laws of the State of Florida and having their principle place of business located in St. Petersburg, Pinellas County, Florida. Defendants own, operate and maintain several places of business throughout Florida, including Marion and Citrus counties, where most of the plaintiffs were employed at the time of the alleged discriminatory conduct made the basis of this lawsuit.

13. The defendants [sic] Florida Progress Corporation is the parent company of defendants [sic] Florida Power Corporation and has direct authority and managing control over Florida Power Corporation. At all times throughout this complaint the defendants Florida Progress Corporation and Florida Power Corporation will be referred to collectively as "defendant."

14. At all times pertinent to this lawsuit, the defendant has been engaged in an industry affecting commerce within the meaning of Section 11(h) of the ADEA, 29 U.S.C. § 630(h).

15. The defendant is an "employer" within the meaning of Section 11(b) of the ADEA, 29 U.S.C. 21 630(b).

16. The defendant is an "employer" within the meaning of the Employment Retirement Income Security Act, (ERISA) 29 U.S.C. § 1140, who provided a pension plan within the meaning of ERISA as a benefit for its employees.

17. The plaintiffs, each and all of them, are citizens of the United States and of the state of Florida and had participated as an employee of defendant in the pension plan provided to defendants employees.

18. At all times pertinent to this lawsuit, the defendant knew or reasonably should have known that its employment decisions were subject to the provisions of the ADEA and *Fla. Stat.* § 760.10.

19. At all times pertinent to this lawsuit, the defendants knew or reasonably should have known that their employment decisions were subject to the provisions of ERISA.

20. The plaintiffs, each and all of them, have timely filed a charge of age discrimination with the Equal Employment Opportunity Commission and/or the Florida Commission on Human Relations complaining of the employment actions challenged in this amended complaint.

21. The initial complaint was filed within 90 days following the receipt of a "notice of right to sue" from the EEOC, or more than 60 days after the filing of the charge of discrimination with the EEOC by each of the plaintiffs,

respectively and/or some of the plaintiffs are members of a class of people over forty years of age and are eligible to become members of this class as the defendants have been put on notice that the ADEA has been violated in regards to a large class of individuals similarly situated.

22. In November, 1993, the defendant initiated what it referred to as a "redeployment" program. According to the defendant, this program was intended to prepare employees for separation from employment. The defendant announced plans to "streamline operations," and intended to eliminate up to 110 jobs at the nuclear plant in Crystal River, Florida, and several hundred more company wide.

23. During the same time period as the implementation of this "redeployment" program, the salary of Jack V. Critchfield, Chairman of Florida Progress Corporation, the parent company of Florida Power, was doubled to 1.3 million dollars. In addition, the defendant had just received a rate increase in monthly electricity rates approved by the Florida Public Service Commission.

24. Some time after the initiation of the redeployment program, the defendant began a program to eliminate its older, more senior employees. The defendant developed a policy of concentrating on the older, more senior employees who had a disability or were perceived as having a disability, or who were perceived as having a potentially high insurance claim and/or health problems treated through the defendant's health insurance fund. This program accomplished two objectives. First, it allowed the defendant to change its perceived image through the installation of a younger work force. Second,

it permitted the defendant to enjoy substantial savings through reduced compensation for the positions held by the more senior employees, and long term savings through reduced obligations for retirement and health benefits.

25. The plaintiffs, each and all of them, were over the age of 40 at the time of their discharge by the defendant. In addition, the plaintiffs, each and all of them, suffered from a disability and/or health problems treated through the defendants health insurance fund, or had a family member who had a disability and/or health problem treated through the defendant's health insurance fund.

26. The respective claims of the plaintiffs arise from a pattern and practice of intentional age discrimination by the defendant, and from a pattern and practice of intentional disregard for the rights and benefits of the plaintiffs under ERISA.

COUNT I
WANDA L. ADAMS – ADEA CLAIM

27. The plaintiff Wanda L. Adams realleges paragraphs 1 through 26 as though each were fully set forth herein.

28. Plaintiff Adams began her employment with defendant in early 1986. Plaintiff was discharged by defendant on or about December 14, 1993.

29. Plaintiff maintained solid job performance throughout her employment. During the course of the

plaintiff's employment with defendant, plaintiff's job performance was satisfactory or better.

30. The plaintiff was over 40 years of age at the time of her discharge, and younger employees with less seniority were not discharged and/or the plaintiff was replaced by a younger less qualified employee under 40 years of age.

31. Plaintiff's termination by defendant was motivated by the defendant's policy of willful age discrimination as outlined in this amended complaint.

32. Plaintiff was terminated because of her age in violation of the ADEA, 29 U.S.C. § 623(a)(1)(2).

33. The affect [sic] of the defendant's discriminatory practice has been to deprive the plaintiff of equal employment opportunities, wages, retirement, and other benefits, and equal treatment in the terms and conditions of her employment, thus resulting in damages to the plaintiff, which are continuing in nature.

34. The defendant's discriminatory acts complained of in this amended complaint are willful within the meaning of the ADEA, and the plaintiff is entitled to liquidated damages under 29 U.S.C. § 626(b).

35. The plaintiff has suffered, is now suffering and will continue to suffer injury from the defendants [sic] practices as described herein above.

36. The defendants' discriminatory acts complained of in this sixth amended complaint had a disproportionate impact on older employees in that the defendants' practice or policy regarding the defendants' reduction in force had a significant adverse effect on older employees.

The defendants had alternative means with a lesser discriminatory impact that could have equally well served the defendants' needs if the defendant was in fact going through a reduction in force. The defendants' reduction in force policy had a greater impact on members of the protected class than on employees under age 40.

37. The plaintiff's age was a motivating factor and made a difference in the decision to discharge the plaintiff, and defendants' violated the age discrimination and employment act and/or the Florida Civil Rights Act of 1992, with knowing and/or reckless disregard of that acts proscriptions.

WHEREFORE, the plaintiff demands the following relief:

A) That the court adjudicate and declare that the acts of the defendant complained of herein were discriminatory and violated the rights of the plaintiff under the ADEA;

B) That the court permanently enjoin the defendant, its officers, agents, successors, employees, attorneys, assigns and other representatives, and all those acting in concert with them or at their directoin, from engaging in an employment policy or practice that di:criminates against any plaintiff on the basis of age or from illegally retaliating against any plaintiff;

C) That the plaintiff recover appropriate back pay, including reimbursement for lost salary, bonuses, incentive compensation, pension, social security, and other benefits in amounts to be shown at trial;

D) That the plaintiff recover prejudgment interest on any award of back pay made by the jury as required by law;

E) That the plaintiff recover liquidated damages equal to her back pay as a result of defendant's willful violation of the ADEA;

F) That the court award plaintiff front pay through her projected date of regular retirement or, alternatively, that the court order defendant to reinstate the plaintiff to the position she held at the time of discharge, or its equivalent;

G) That the court award the plaintiff attorney's fees, costs and disbursement; and

H) That the court grant such additional relief as may be just.

* * *

DEMAND FOR JURY TRIAL

The plaintiffs, each and all of them, demand a jury trial on all issues claims to which they are so entitled.

DATED this 27th day of August, 1997.

Respectfully submitted.

/s/ Edward L. Scott
Edward L. Scott
Florida Bar Number: 648957
Edward L. Scott, P.A.
409 S.E. Fort King Street
Ocala, Florida 34471
Telephone No.: (352) 622-2264
Facsimile No.: (352) 622-9342
Attorney for Plaintiffs

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent by U.S. Mail to NANCY F. REYNOLDS and J. LEWIS SAPP, ESQ., Elarbee, Thompson & Trapnell, 800 Peachtree-Cain Tower, 229 Peachtree Street, N.E., Atlanta, GA 30303; RODNEY GADDY, ESQ., P.O. Box 14042, St. Petersburg, FL 14042; GARY SASSO, Carlton, Fields, Ward, Emmanuel, Smith & Cutler, P.A., One Progress Plaza, Barnett Tower, Suite 2300, 200 Central Avenue, St. Petersburg, FL 33701-4352; HOWARD J. SHIFKE, 701 N. Franklin Street, Suite 200, Tampa, FL 33602 and to JOHN GALLAGHER, 1110 Birby Road, Knoxville, TN 37923 on this the 27 day of August, 1997.

/s/ Edward L. Scott
Edward L. Scott

Adams et al. v. Florida Power Corp. and Florida Progress Corp.,
Case No. 95-123-CIV-OC-10A
United States District Court for the
Middle District of Florida, Ocala Division

Exhibits A through I to
Defendants' Motion to Decertify

August 7, 1998

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT FOR
MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, et al. Plaintiffs, v. FLORIDA POWER CORPORATION and FLORIDA PROGRESS CORPORATION Defendants.	)	Case No. 95-123-CIV-OC-10

DECLARATION OF JOHN SCARDINO, JR.

COMES NOW, the undersigned, John Scardino, Jr., and, pursuant to 28 U.S.C. §1746, declares as follows:

1. My name is John Scardino, Jr. I am competent to testify to, and have personal knowledge of the facts set forth in this Declaration. I understand that this Declaration is for use in connection with the above-captioned civil action, and I give it freely for that purpose.

2. I have been employed by Florida Power Corporation since March of 1970. I currently hold the position of Vice President Controller for Florida Power and Florida Progress Corporation and have held this position since April, 1993. It is in these capacities that I am familiar with the facts set forth herein.

3. Florida Progress Corporation is a diversified holding company which owns all of the stock of Florida

Power. Florida Power is an electric utility whose service area encompasses approximately 20,000 square miles in thirty-two Florida counties.

4. During the years in question Florida Power staffed and maintained its General Office complex; between forty and fifty district or division offices, each in a different geographical location; a nuclear unit in Crystal River; seventeen fossil steam plants at six different locations; and forty-four peaking units at eleven different geographical sites. Florida Power not only operated and maintained generation plants but designed, operated, and maintained extensive transmission and distribution systems traversing its service territory.

5. In 1992, Florida Power's workforce consisted of about 5,800 union and non union employees, performing diverse services throughout the company's extensive service territory. Between 1992 and 1996, this workforce was reduced to about 4,600 employees.

6. The reduction in personnel resulted from a number of different factors, including reorganizations; the elimination of processes, departments and operations; plant closings; and restructurings. Each department formulated and implemented its own selection process for determining who would be affected.

I have read the foregoing Declaration and declare under penalty of perjury that it is true and correct.

Executed this 6 day of August, 1998.

/s/ John Scardino, Jr.
JOHN SCARDINO, JR.

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT FOR
MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, et al. Plaintiffs, v. FLORIDA POWER CORPORATION and FLORIDA PROGRESS CORPORATION Defendants.	)	Case No. 95-123-CIV-OC-10

DECLARATION OF DOROTHY L. WERTZ

COMES NOW, the undersigned, Dorothy L. Wertz, and, pursuant to 28 U.S.C. §1746, declares as follows:

1. My name is Dorothy L. Wertz. I am over twenty-one (21) years of age and am competent to give this Affidavit. I give this Affidavit freely based on my personal knowledge and understand that it may be used in the above-referenced case.

2. I am currently employed by Florida Power Corporation (hereafter "Florida Power") in the position of Manager, Employee Relations and have held this position since May 1997. Prior to this time and since August of 1992, I held the positions of Principal Human Resources Representative and Senior Employee Relations Consultant.

3. In each of these positions, I have been and am custodian of certain of Florida Power's personnel records,

which are kept in the course of regularly conducted business activity pursuant to normal business practice at Florida Power Corporation.

4. In each of these positions, I have also had the responsibility for reviewing and researching records and responding to administrative charges of discrimination filed with the Florida Commission on Human Relations and the Equal Employment Opportunity Commission. In this capacity I am familiar with the administrative charges of discrimination, which were filed by some of the original plaintiffs, plaintiffs named in the Sixth Amended Complaint in the above-captioned lawsuit and opt-in plaintiffs.

5. True and correct copies of the charges received by Florida Power Corporation as to the plaintiffs in this case are attached hereto as Exhibit 1.

6. My review of those files under my custody and control reveal that three of the original plaintiffs resigned their employment from Florida Power Corporation, shortly after being placed in redeployment status. Specifically, Plaintiff Adams resigned her employment on January 4, 1994; Plaintiff Floyd resigned effective March 6, 1994; and Plaintiff Gallagher resigned on February 14, 1994.

7. My review of the files under my custody and control reveals that four original plaintiffs – Adams, Floyd, James Smith, and Williams – were placed into redeployment status from positions in Nuclear Operations, under Senior Vice President P.M. Beard. While the positions held by these plaintiffs fall under a common

organizational structure (Nuclear Operations), they are in different departments under different supervisors.

8. My review also shows that three original plaintiffs – Hodgson, William Smith and Suban – were placed into redeployment status from a different organizational division, Operations, which fell under Executive Vice President M.H. Phillips. While the positions held by these plaintiffs fall within the Operations division, they fall within two separate departments within that division. Further, each of these three plaintiffs reported to a different supervisor.

9. My review reveals that Wagoner is the only original plaintiff placed into redeployment status from a position in Energy Supply, under Senior Vice President J.A. Hancock. Finally, original plaintiffs Gallagher, Hoover, Janet Smith and Merriman were placed into redeployment status from the Corporate Services division, under Senior Vice President D.L. Miller. While the positions of Smith, Gallagher and Merriman fell within the same department, the Manager, Computer Services position held by Hoover was in a distinct department under different supervision.

10. From my review of the files, it is evident that each of the original plaintiffs held a different and distinct position with Florida Power Corporation. These positions ranged in classification from clerical (Adams' Nuclear Operations Training Specialist position) to supervisory (Floyd and Wagoner) and management (Hoover, Merriman, and Gauldin). Virtually every one of the positions held by the original plaintiffs involve distinct skills in

different disciplines, including employee training, engineering, purchasing, computer services, customer sales and marketing, nuclear regulatory compliance and licensing, contract administration, and distribution. These individuals were located throughout the State of Florida including numerous separate locations in and around St. Petersburg (Bartow plant, the General Office Complex and the 25th Street Operations Center), Crystal River, Haines City, and Perry.

11. My review of the files for original plaintiffs Brannon, Catlett, Gauldin, Janowski, and Pennington reveal that these employees were not placed into redeployment status. Each of these plaintiffs was offered a separation agreement in exchange for a lump sum severance payment.

12. My review of the EEOC charge files reveals different factual circumstances led to the separations of each original plaintiff's employment. In each of these cases the decision to abolish the position of the particular plaintiff was made by local supervisors or department management on an individual, decentralized basis. For example, Floyd was one of two Nuclear Document Control Supervisors; the other being Janet Anna. These employees' supervisor, Margaret Harmon, determined that one of these two positions could be cut. Based in large part on the fact that Anna had nine direct reports, versus Floyd's four, and had received higher scores on her most recent performance evaluations, Harmon selected Floyd's position for elimination.

Plaintiff Hodgson's position was abolished as the result of the Customer Sales and Marketing Department's consolidation of two geographic regions into one.

Plaintiff Janowski's Senior Human Resources Representative position was abolished in December of 1993, when his job function (training employees in Purchasing and Stores departmental procedures) was absorbed by the departmental employees themselves. At this time he bid back into a bargaining unit position within the department. He then failed to pass the test required for the position (which he grieved) and was reassigned as a program developer, responsible for power plant training. As his work experience was limited to purchasing and stores, he was unable to conduct the skills training and to critique the technical content of the power plant skills manual. When additional human resources positions were cut in 1995, he was offered a career transition package.

When Plaintiff Wagoner's supervisory position at the Bartow plant was abolished in 1992, Wagoner was assigned to special projects. In April of 1993, it was determined that no further projects would be assigned, and Wagoner was advised of his placement in redeployment status effective July 1, 1993.

Plaintiff James Smith's Nuclear Regulatory Specialist position was one of two such positions abolished when the Nuclear Compliance and Nuclear Licensing departments were consolidated. Ken Wilson, Manager of Nuclear Licensing, evaluated the seven incumbents and independently assessed incumbents pursuant to his criteria. Smith along with Reed Clarke received the lowest

scores on these evaluations, and each's position was abolished. Of the five Nuclear Regulatory Specialists who remained, all but one was in the protected age group and three are older than the employees selected for separation. I am also aware that Reed Clarke has pursued a private lawsuit alleging age discrimination arising out of this same employment action, which is in the latter stages of discovery.

Janet Smith's Investment Recovery Coordinator position was abolished, as the result of a departmental reconfiguration. Her responsibilities, which related to the disposition of obsolete goods, were absorbed by the persons responsible for the initial purchase of those goods. At the time her position was abolished and she was placed in redeployment status, Smith was not in the protected age group.

13. My review of the records under my custody and control shows that the original plaintiffs' separations resulted from the determinations of at least fourteen different decisionmakers and spanned a period of eighteen months.

14. In my capacity as Manager, Employee Relations, I have reviewed the personnel records of each of the 39 amendment plaintiffs named in Plaintiffs' Motion to File Fifth Amended Complaint and referenced in the attached Chart 1. Chart 1 has been designed to summarize the employees' history of employment with Florida Power and subsequent termination. A copy of that chart is attached as Exhibit 2.

15. My review of those files under my custody and control reveals: 34 different managers/decisionmakers

were involved in the termination decisions involving these 39 amendment plaintiffs; these 39 amendment plaintiffs occupied 36 different job classifications and worked at geographically diverse locations throughout the state, ranging from Perry to Crystal River, to Ocala and Wildwood, south to Clearwater and St. Petersburg; the decisions to terminate each of these 39 amendment plaintiffs occurred over a one-year and eight-month period, from May of 1994 through December of 1995; the position classifications and skills descriptions of these 39 individuals were also quite varied and their job titles ranged from Forms Designer to Technical Trainer, from Consumer Affairs Coordinator to Chief Operator of the Coal Plant, and from Programmer Analyst to Manager of Customer Accounts; and the salaries for these 39 individuals range from $19,700 to $86,790.

16. My review of those files under my custody and control also reveals that 26 of these 39 amendment plaintiffs signed Career Transition Agreements and received severance benefits. These benefits were generally based on the number of years of service which ranged from 4 years 9 months to 29 years 9 months. Similarly, the severance benefits paid these 26 individuals ranged from $5,682.75 to $98,473.36. In addition, it appears from Florida Power records that 12 of these amendment plaintiffs separated from Florida Power during the Redeployment process, not under the Career Transition process.

17. My review of those files under my custody and control also reveals that Lorin Bryan, one of the 39 amendment plaintiffs, was provided with a Career Transition package in lieu of termination for alleged acts of sexual harassment. Bryan worked as a Manager of Energy

Services for Florida Power from January 2, 1969 until June 15, 1994.

18. In my capacity as Manager, Employee Relations, I have also reviewed the personnel records of the 61 opt-in plaintiffs identified in Plaintiffs' Motion to File Sixth Amended Complaint and referenced in the attached Chart 2. Chart 2 has been designed to summarize the employees' history of employment with Florida Power and subsequent termination. A copy of that chart is attached as Exhibit 3.

19. My preliminary review of those files under my custody and control reveals: at least 40 different managers/decisionmakers were involved in the termination decisions involving these 61 individuals; these 61 opt-in plaintiffs occupied 45 different job classifications and worked at geographically diverse locations throughout the state, ranging from Monticello to Anclote, to Longwood and Lake Wales; the decisions to terminate each of these 61 individuals occurred over a 2-year and 7-month period, from January 1994 through July of 1996; the position classifications and skills descriptions of these 61 individuals were also quite varied and their job titles ranged from Director of Research and Development to Power Plant Clerk, from Environmental Regulatory Specialist to Press Operator I, and from Buyer in Fuels Supply to Customer Service Representative; and the annual salaries for these 61 individuals range from $16,664 to $93,600.

20. My review of those files under my custody and control also reveals that 45 of these 61 opt-in plaintiffs were offered Career Transition Agreements and severance

benefits. These benefits were generally based on the number of years of service which ranged from 2 years 2.5 months to 25 years 3.5 months. Similarly, the severance benefits paid these 45 individuals ranged from $5,918.60 to $73,800.00. In addition, it appears from Florida Power records that 16 of these opt-in plaintiffs separated from Florida Power during the Redeployment process, not under the Career Transition process.

21. My review of the files under my custody and control reveals that two of these 61 individuals – Owens and Holliday – were placed into redeployment status from positions in Nuclear Operations, under Senior Vice President P.M. Beard. While the positions held by these potential plaintiffs fall under a common organizational structure (Nuclear Operations), they are in different departments under different supervisors.

22. My review also shows that seven of these 61 individuals – McKinney, Westbrook, Bettis, Groseclose, Jackson, Maraget and Mason – were placed into redeployment status from a different organizational division, Operations, which fell under Executive Vice President M.H. Phillips. While the positions held by these opt-in plaintiffs fall within the Operations division, they fall within five separate departments within that division. Further, these individuals reported to different supervisors.

23. My review reveals that Vaughan, Ural and Koon were placed into redeployment status from positions in Energy Supply, under Senior Vice President J.A. Hancock. While the positions of Vaughan, Ural and Koon were in

Energy Supply, each position was in a distinct department under different supervision.

24. From the Human Resources Profiles and my review of the files, it is evident that virtually each of these 61 individuals held a different and distinct position with Florida Power Corporation. These positions range in classification from printing press operator (Jones' Press Operator I position) to supervisory (Willis Barnes) and management (Baynard). Virtually every one of the positions held by these opt-in plaintiffs involve distinct skills in different disciplines, including employee training, engineering, purchasing, computer services, customer sales and marketing, nuclear regulatory compliance and licensing, contract administration, and distribution. The 61 opt-in plaintiffs were located throughout the State of Florida including numerous separate locations in and around St. Petersburg (Bartow plant, the General Office Complex and the 25th Street Operations Center), Crystal River, Monticello, and Longwood.

25. My review of the files for opt-in plaintiffs Becker, Broeckel, Engers, Evans, Foster, Forehand, Hayward, Hooks, Jones, Livingston, Putnam, Richardson, Ryan, Visser, Wagner, Waldo and Wilson reveal that these employees were not placed into redeployment status. Each of these potential plaintiffs executed a separation agreement in exchange for a lump sum severance payment.

26. My review of those files under my custody and control also reveals a number of the 61 opt-in plaintiffs, including Marjorie Copeland and Judith Carey, were not terminated from the Company because of a reduction in

the workforce. Ms. Copeland voluntarily retired from her position as a Customer Service Assistant with 20 years 8 months of service. Ms. Copeland worked for Florida Power from December 3, 1973 until August 1, 1994. Ms. Copeland elected to take retirement even though her supervisor discouraged her from making such a choice. Ms. Copeland received a Career Transition package as a result of her voluntary retirement, not downsizing. Similarly, while a comparable position was available for Ms. Carey, she requested a Career Transition severance in order to pursue a career in the medical field.

27. My review of those files under my custody and control also reveals that Mark Peterson received a Career Transition severance package. However, Mr. Peterson was terminated from his position as a Program Analyst at Florida Power due to continued poor work performance rather than a reduction in workforce. His position was not abolished or consolidated. Mr. Peterson worked for Florida Power from June 17, 1991 until March 29, 1996.

I have read the foregoing Declaration and declare under penalty of perjury that it is true and correct.

Executed this 3rd day of August, 1998.

/s/ Dorothy L. Wertz
Dorothy L. Wertz

EXHIBIT NO. 2

FPC
TABLE OF INFORMATION
AMENDMENT PLAINTIFFS
WANDA ADAMS, et al. v. FLORIDA POWER CORPORATION
CASE NO. 95-123-CIV-OC-10

August 27, 1996

EMPLOYEE NAME/SOCIAL SECURITY NUMBER	SUPERVISOR INFO.	DATE OF BIRTH	DATE OF HIRE	DATE OF TERM.	LAST JOB CLASS. & LOCATION
Baldwin, Linda L. 262-86-7357	Marvin Pinkard Suncoast Florida Region Sup. Cust. Svcs. Admin. Largo	10-28-47	11-22-72	10-14-94	Energy Services Rep. Cust. Service & Marketing (Mid-Pinellas) Salary: $44,839
Bassa, Philip 477-46-3730	Robert Blume Supervisor Nuclear Special Training Crystal River	12-26-44	3-23-87	10-28-94	Nuclear Team Instructor Nuclear Operations Salary: $51,908
Bayes, Larry 234-88-3169	Wayne C. Forehand V.P. North Florida Region Ocala	4-20-53	11-26-79	4-1-95	Area Manager Perry District Salary: $76,651
Beck, James 378-44-4023	Nancy J. Smith Director Information Services St. Petersburg	12-20-43	6-15-81	5-1-94	Manager Information Systems Salary: $62,047
Becker, Cheryl R. 266-74-0603	Richard R. David Area Manager – North Pinellas Clearwater	7-17-44	6-9-69	9-28-94	Sup. District Office (Credit) Clearwater District Salary: $45,243
Behrens-Bogs, Cynthia 266-11-3993	Ray Yost Mgr. Quality Systems Nuclear Operations – Crystal River	6-3-54	5-21-73	9-1-95	Department Support Specialist Quality Systems – Nuclear Operations Salary: $28,480
Boreman, Richard 317-38-2552	Jon A. Simpson Mgr. Wildwood & North Florida Region Materials Services	1-24-40	9-12-61	2-1-95	Operations & Planning Administrator Wildwood & North Florida Region Materials Services Salary: $67,000
Boyle, Linda 002-38-8783	William Willits Mgr. Information Systems St. Petersburg	10-18-50	3-15-83	9-11-95	Systems Analyst Computer Data Center Operations Salary: $52,820
Brannen, Gerald 261-70-1469	Jon A. Simpson Mgr. Wildwood & North Florida Region Materials Services	8-25-45	6-22-70	10-28-94	Supervisor Central Repair Shop Wildwood & North FL Region Materials Services Salary: $63,000

EMPLOYEE NAME/SOCIAL SECURITY NUMBER	SUPERVISOR INFO.	DATE OF BIRTH	DATE OF HIRE	DATE OF TERM.	LAST JOB CLASS. & LOCATION
Breeden, Donald 172-32-7612	Edward D. Carnahan Mgr. Site Support – Crystal River Coal Plant	2-25-41	3-14-77	10-28-94	Supervisor, Maintenance Planning Crystal River Coal Plant Salary: $51,955
Bryan, Lorin 264-66-7892	Susan C. Postans Mgr. Customer Service & Marketing Ocala	6-27-43	1-2-69	6-15-94	Manager Energy Services Customer Services & Marketing Salary: $61,710
Bunch, Robert 261-82-2909	Walt Thurn Mgr. Technical Training St. Petersburg	2-14-47	4-6-70	12-8-95	Technical Trainer Technical Training Salary: $51,733
Doby, Earl 212-46-9819	Raul Roman Supervisor Operations & Planning Ocala	3-4-44	6-21-76	7-14-94	Engineering Assistant – Distribution Operations & Planning Salary: $38,823
Dupuy, Samuel A. (AJ) 418-58-5577	David Develle Director, Regulatory Accounting St. Petersburg	3-4-46	3-15-76	5-1-94	Manager, Plant Deprec. Acctg. Salary: $76,728
Fintak, Paul J. 397-42-4195	Bob South Senior Communications Coordinator Corporate Relations St. Petersburg	8-18-45	2-19-90	11-30-94	Forms Designer Employee Communications Service/Corp. Comm. Salary: $26,051
Frangipane, Greg 263-08-1391	Reed Adcock Manager, Energy Distribution Ocala	6-23-53	9-4-73	6-24-94	Sup. District Office Largo District Salary: $48,324
Fremgen, John J. 124-32-0579	George Oberndorfer Mgr. Procurement Quality Crystal River	10-15-42	5-13-87	8-19-94	Nuclear Quality Control Inspector Nuclear Operations Salary: $50,634
Graves, Ralph 265-62-8653	Luis Ordaz Mgr. Distribution Engineering Technology St. Petersburg	8-31-41	3-24-69	12-11-94	Distribution Analyses Engineer Distribution Operations Salary: $62,041
Hays, Thomas F. 414-70-4642	Walt Thurn Manager, Technical Training St. Petersburg	6-8-44	11-9-81	12-8-95	Technical Trainer Technical Training Dept. Salary: $55,518
Lassiter, W. Kermit 262-74-1306	Danny Douglas Plant Mgr. – Crystal River Coal Plant 1/2	10-27-45	2-18-71	N/A	Chief Operator Crystal River Coal Plant 1/2 Salary: $49,275

EMPLOYEE NAME/SOCIAL SECURITY NUMBER	SUPERVISOR INFO.	DATE OF BIRTH	DATE OF HIRE	DATE OF TERM.	LAST JOB CLASS. & LOCATION
Maxwell, Gloria F. 377-50-6267	Corey Sammartino – Sup. Consolidated Tax Services St. Petersburg	4-3-48	5-11-81	6-30-95	Tax Accounting Technician Tax Administration Salary: $30,500
Moock, James W. 198-28-9115	Jerry L. Sions Mgr. Nuclear Facility Services Crystal River	5-17-37	6-13-77	7-10-94	Nuclear Bldg. Services Supervisor Nuclear Operations Salary: $49,844
Neaman, Thomas J. 072-34-6101	Ray Yost Manager Quality Systems Crystal River – Nuclear Operations	3-20-43	12-2-85	10-28-94	Sr. Nuclear Quality Assurance Specialist Nuclear Operations Salary: $46,683
Passmore, William 254-52-4476	Mark Milat Nuclear Planning Coordinator Crystal River	5-27-38	12-11-84	10-28-94	Nuclear Parts & Materials Specialist Nuclear Operations Salary: $32,121
Quinn, Marcia 261-88-4515	Philip E. Dean Mgr. Consumer Affairs St. Petersburg	10-24-47	1-6-86	3-25-94	Consumer Affairs Coordinator Consumer Affairs Salary: $43,556
Reed, David 032-32-7048	Thomas L. Chamlee Supervisor Marketing & Development Clearwater	2-25-44	10-21-68	11-17-95	Senior Accounting Specialist Marketing & Development Salary: $54,000
Reid, Joe 085-36-1155	Leslie Creech Supervisor, Customer Service & Marketing Clearwater	8-3-46	9-22-80	7-17-94	Energy Services Specialist Customer Service & Marketing Salary: $46,224
Schmidt, Patti 293-32-0895	Chris Hicks Supervisor Materials Technology Crystal River	5-27-36	12-4-89	12-29-95	Engineering Technician Technical Services Salary: $35,784
Seifert, Randy A. 335-36-6679	James Mandakunis Manager, Distribution Construction & Operations St. Petersburg	11-29-43	2-5-73	10-28-94	Supervisor, Line Service Clearwater Line Salary: $65,177
Shiflett, R. Darwin 526-48-9611	Steve Purifoy Director, Accounting Services St. Petersburg	9-23-39	10-25-65	1/31/95	Manager, Customer Accounts Customer Accounting Salary: $86,790
Skala, Jiri (George) 282-56-8704	Bruce Taylor Supervisor Nuclear Engineering Crystal River	1-22-41	12-5-83	10-28-94	Nuclear Project Engineer Nuclear Operations Salary: $52,896

EMPLOYEE NAME/SOCIAL SECURITY NUMBER	SUPERVISOR INFO.	DATE OF BIRTH	DATE OF HIRE	DATE OF TERM.	LAST JOB CLASS. & LOCATION
Sullivan, William 261-62-0404	Jon A. Simpson Mgr. Wildwood & North Florida Region Materials Services	1-14-40	8-7-62	2-1-95	Materials Analyst II Wildwood & North FL Region Material Services Central Warehouse Salary: $51,600
Twitty, R. Steven 266-92-6742	David L. Miller Sr. V.P. Corporate Services St. Petersburg	1-29-50	9-18-72	9-1-95	Manager Information Systems Information Technology Salary: $81,813
Wheeler, Wendy 262-96-8434	Shelli H. Dunayer Mgr. Information Systems St. Petersburg	11-29-47	2-1-88	9-8-95	Programmer Analyst Information Systems Salary: $50,406
Wood, Barry 150-48-2662	Shelli H. Dunayer Mgr. Information Systems St. Petersburg	12-17-52	8-30-82	9-8-95	Systems Analyst Information Systems Salary: $58,823

EXHIBIT NO. 3

FPC
TABLE OF INFORMATION
OPT-IN PLAINTIFFS
WANDA ADAMS, et al. V. FLORIDA POWER CORPORATION, et al.
CASE NO. 95-123-CIV-OC-10

Employee Name & Social Security Number	Mgr/Supervisor Info.	Date of Birth	Date of Hire	Date of Term.	Last Job Classification, Location and Salary
WILLIS R. BARNES 317-44-7901 OPT IN	Bernie Cumbie Bartow Plant Mgr	02/02/44	09/03/80	12/29/95	Superintendent Maintenance Bartow Plant Salary: $79,000
ELAINE R. BARNES-FOSTER 262-82-5071 OPT IN	William Micklon Project Manager Competitive Intelligence	08/07/46	02/18/74	10/28/94	Energy Supply Cost Mgmt Performance Services Salary: $28,512
PATSY YEATES BAYNARD 431-88-8142 OPT IN	David Miller VP Corporate Services	05/29/48	08/11/75	11/17/95	Director Research & Development Salary: $93,600
GARY L. BECKER 393-54-7474 OPT IN	John Paetzold Suprv. Field Telecomm.	07/12/52	09/04/79	09/08/95	Enterprise Networking Systems Analyst Information Systems Salary: $53,055
EARL W. BETTIS 261-68-5586 OPT IN	Doug Ellerbe Suprv. Operations & Planning	12/11/43	01/25/73	05/22/94	Engineering Aide Operations & Planning Salary: $21,790
JEROLD A. BOYLE 266-64-9030 OPT IN	George Rickus VP HR	08/21/43	06/27/88	11/27/94	Director HR Development Salary: $91,800
DONALD P. BROECKEL 291-34-1321 OPT IN	Valerie Williams Mgr. Information Systems	09/25/39	04/18/85	09/08/95	Systems Analyst Information Systems Salary: $58,204
RICHARD H. BROWN 198-32-3470 OPT IN	Chris Hicks Supv. Materials Technology	01/09/42	08/25/86	10/28/94	NDE Specialist Salary: $40,000
JUDITH A. CAREY 230-76-7591 OPT IN	Keith Hulbert Mgr. Customer Service Administration	08/20/52	04/23/79	10/28/94	Supervisor, Customer Service Center Billing Central Fla. Region Salary: $44,218
CHARLES R. COFFMAN 218-62-8038 OPT IN	Tom Chamles Mgr. Sales/Mass Mkts.	08/06/52	12/18/72	11/17/95	Senior Account Specialist Salary: $53,521

Employee Name & Social Security Number	Mgr/Supervisor Info.	Date of Birth	Date of Hire	Date of Term.	Last Job Classification, Location and Salary
MARJORIE J. COPELAND 263-48-9190 OPT IN	David P. White District Mgr.	07/10/32	12/03/73	08/01/94	Customer Service Representative Salary: $22,906
KENNETH B. CORBETT 192-30-6496 OPT IN	Mark Sweet Mgr. Dist. Facilities Util.	02/30/39	07/30/80	12/09/94 CT 07/01/95 Retired	Joint Use Specialist Distribution Facilities Salary: $55,133
TOM D. ENGERS 099-24-1661 OPT IN	Richard Maier Mgr. Information Systems	06/19/37	11/25/85	09/08/95	Systems Analyst Information Services Salary: $58,316
GWENDOLYN J. EVANS 266-68-2794 OPT IN	Alan R. Craig Projected Mgr. HRIS	12/01/42	08/14/78	01/20/95	Human Resources Associate Benefits Cost Management Salary: $26,060
RAY E. FOREHAND 267-82-2525 OPT IN	Jim Crews Dir. Transmission Sub-station Design	05/11/45	10/30/72	07/22/95	Senior Relay Design Engineer Relay Design Salary: $58,827
MARK W. FOSTER 261-84-0950 OPT IN	John Gillman Dir. Materials & Contracts	07/16/50	06/03/80	10/07/94	Contract Administrator Materials & Contracts Salary: $53,000
ROBERT C. FREELAND 264-78-5974 OPT IN	Mitch Hull Dir. Software Dev. & Support	12/13/44	06/28/82	09/08/95	Programmer Analyst Information Systems Salary: $54,137
VALERIE PATRICIA FRONZA 205-58-8426 OPT IN	Vincent Dolan Dir. Business Devel.	02/24/40	06/20/79	01/31/95	Dept. Support Specialist Salary: $23,237
NARENDRA K. GARG 153-050-4333 OPT IN	Stephen Ulm Supv. Nuclear Plant Technical Support	03/01/41	10/10/88	10/28/94	Principal Nuclear Engineer Nuclear Operations Salary: $77,486
LINDA K. GROSECLOSE 376-54-1869 OPT IN	Sue Cleary Mgr. Sales/Mass Mkts.	07/26/48	10/19/70	07/17/94	Energy Services Specialist NSC Energy Services Salary: $49,365
MICHAEL JON HARMELING 263-82-1739 OPT IN	Darlena Redford Supv. Mkt. Retention & Operations	06/19/52	03/26/85	10/14/94	Energy Services Analyst Region Operations Salary: $41,300
EUGENE HAYWARD 264-68-9473 OPT IN	Charles Manning Mgr. E&O Distribution	09/08/47	06/15/81	10/14/94	Engineering Technician Jamestown Engineering Salary: $30,015

Employee Name & Social Security Number	Mgr/Supervisor Info.	Date of Birth	Date of Hire	Date of Term.	Last Job Classification, Location and Salary
PETER N. HOLLIDAY 264-84-7430 OPT IN	Brent Moore Mgr. Nuclear Scheduling	12/31/48	09/04/73	06/09/94	Nuclear Scheduling Coordinator Nuclear Operations Salary: $55,078
ROY C. HOOKS 264-70-1266 OPT IN	Bill Naylor Mgr. Energy Distribution	02/23/43	06/23/69	10/14/94	Line Foreman Salary: $54,917
L. DAYTON JACKSON 254-74-8035 OPT IN	David Bonk Dir. Mass. Mkts.	09/11/47	08/20/73	07/17/94	Business Representative Salary: $42,245
CARRIE T. GODDARD JONES 265-58-3492 OPT IN	Gary S. Jones Suprv. Printing Services	09/12/40	10/26/87	07/07/95	Press Operator I Printing Services Salary: $18,775
STEPHEN L. KOON 263-21-9069 OPT IN	Hank Dumas Plant Mgr.	07/23/52	07/30/73	01/21/94	Supervisor of Maintenance Planning Salary: $53,808
GERALD E. LAMM II 234-74-1158 OPT IN	Gene Christie Mgr. Nuclear Operations Materials Control	09/02/47	03/04/91	10/28/94	Buyer Nuclear Operations Salary: $44,100
SARANAN LAUCK 265-58-2553 OPT IN	Bonnie Bishoff Director Utility Partnerships	08/03/40	09/10/79	06/22/94	Regional Account Coordinator Pricing & Utility Partnerships Salary: $48,099
THOMAS M. LIVINGSTON 262-54-4651 OPT IN	Lori Craig Mgr. Distribution Operations	08/24/39	12/01/69	11/01/94 ?10/31?	Project Engineer Distribution Facilities Salary: $55,777
RAYMOND P. LONG 145-28-6241 OPT IN	Bill Willis Mgr. Systems Mgmt. Maintenance	08/31/36	09/26/83	09/08/95	Systems Analyst Salary: $58,899
LINDA A. MARAGET (MARTIN) 262-76-6147 OPT IN	Nancy Ritz Mgr. Customer Service Administration	05/06/45	07/13/87	05/02/94	Customer Service Rep. Salary: $16,664
JOHN O. MASCOLL 413-23-9226 OPT IN	Brian Gutherman Mgr. Nuclear Licensing	08/15/51	08/03/92	10/28/94	Nuclear Project Engineer Nuclear Operations Salary: $61,553

Employee Name & Social Security Number	Mgr/Supervisor Info.	Date of Birth	Date of Hire	Date of Term.	Last Job Classification, Location and Salary
ROBERT S. MASON, JR. 262-90-0333 OPT IN	Wally Barron VP Mkting/Pricing & DSM	01/23/47	03/24/69	06/15/94	Director Special Projects Salary: $89,016
MARY E. McCOY 267-74-0846 OPT IN	William C. Slusser, Jr. Mgr. Pricing	03/09/45	11/22/76	08/18/95	Pricing Tech Salary: $31,203
CAROL S. McFADDEN 205-34-0130 OPT IN	David Buell Plant Mgr.	07/07/44	01/31/83	11/10/95	Power Plant Clerk III Anclote Plant Salary: $25,378
ANNIE J. McKINNEY 416-72-8830 OPT IN	Bill Naylor Mgr. Energy Distribution	11/02/51	10/07/76	06/10/94	Operations Support Specialist Salary: $22,068
MICHAEL E. MOORE 510-50-8724 OPT IN	Mike Featham Mgr. Engineering & Construction	08/19/49	06/29/87	10/28/94	Senior Instrument Control Engineer Salary: $61,491
DAVID B. MORRIS 019-34-2679 OPT IN	Mike Featham Mgr. Engineering & Construction	04/25/46	08/12/91	10/28/94	Chemical Engineering Consultant, Energy Supply Plant Improvement Salary: $71,750
JAMES L. OWENS 264-90-3749 OPT IN	Carol N. Long Mgr. Nuclear Maint. Work Controls	09/25/46	05/13/68	07/06/94	Nuclear Specialist Nuclear Operations Salary: $58,023
ADOLFO J. PAZ 394-58-4541 OPT IN	Valerie Williams Mgr. Info. Systems	03/28/39	11/24/87	09/08/95	Systems Analyst Information Systems Salary: $56,901
MARK D. PETERSON 041-44-1669 OPT IN	Sue Dejarnette Systems Analyst Workstation Support Systems Management	01/18/51	06/17/91	03/27/96	Program Analyst Systems Management Salary: $51,612
ANDRE L. POULARD 073-50-2691 OPT IN	Don Stillwagon Principal T&D Engineer	11/29/48	06/26/78	10/14/94	Senior T&D Planning Engineer Salary: $59,592
TRAVERS DAN PUTNAM, JR. 262-90-2052 OPT IN	Norman Davis Dir. Fuel Supply	05/07/50	06/28/73	10/28/94	Buyer Fuels Supply Salary: $55,797
WILLIAM B. RICH 267-74-0280 OPT IN	James Schreiber Mgr. Motor Department	02/23/46	10/14/68	10/16/95	Manager, Metal Tech Services Salary: $62,170
ALEXA M. RICHARDSON 462-78-2345 OPT IN	Wayne Forehand VP N. FL Region	01/29/52	09/15/75	10/07/94	Area Manager Jasper District Salary: $68,264

Employee Name & Social Security Number	Mgr/Supervisor Info.	Date of Birth	Date of Hire	Date of Term.	Last Job Classification, Location and Salary
TERRANCE W. RYAN 291-50-2388 OPT IN	Robert Sarlous Mgr. Info Systems	07/07/51	10/31/83	09/08/95	Programmer Analyst Function Delivery Information Services Salary: $50,735
LORENE SCOTT 266-21-1309 OPT IN	Ann Gonzalez Superv. Billing	01/14/53	07/02/73	02/16/96	Customer Service Associate Business Office Salary: $26,151
TERRIE Y. SCOTT 261-82-4946 OPT IN	Pam League Dir. Employee Relations	03/14/47	08/13/73	06/16/95	Sr. Human Resources Assistant, Workforce Management Salary: $26,456
JOHN A. SERBA 221-32-5783 OPT IN	Mark Myers Mgr. Investor Relations	08/29/55	11/29/90	04/30/96	Sr. Investor Comm. Analyst Corporate Relations Salary: $61,360
SARAH J. (AMICK) SMITH-HAMAN 309-50-0708 OPT IN	Madelynn Talbert-Brown Mgr. Billing	08/08/47	03/25/74	02/15/94	Customer Service Rep. IV District Office Salary: $27,513
PATRICIA A. SOLKI 548-78-2704 OPT IN	Bob South Mgr. Employee Communication Services	02/28/49	05/19/86	10/21/94	Department Support Specialist Employee Comm. Salary: $23,542
EDWARD URAL 069-44-3788 OPT IN	James Mack Mgr. Production Outage Management	01/20/51	06/13/88	03/11/94	Internal Consultant Business Systems Salary: $70,560
ROBERT A. URBAN 375-48-9500 OPT IN	Mike Featham Mgr. Engineering & Construction	12/08/47	03/05/90	10/28/94	Principal Project Constructor Energy Supply Plant Improvements Salary: $64,200
JOSEPH B. VAUGHAN 262-54-4316 OPT IN	Leslie Creech Sup. Div. Energy Svcs	06/10/40	05/08/61	07/17/94	Energy Services Representative Salary: $47,300
DAVID L. VISSER 365-40-6470 OPT IN	Chris Hicks Suprv. Materials Technology	09/25/41	09/02/80	12/29/95	Sr. Materials Eng. Technical Svcs. Salary: $64,953
DANIEL J. WAGNER 190-36-6585 OPT IN	Fred Bonewell Dir. Safety & Material Svcs.	02/13/47	09/08/80	07/19/96	HR Assistant Safety & Medical Salary: $22,959
GARY E. WALDO 303-46-5104 OPT IN	James Cossey Superintendent Technical Svcs.	11/07/44	01/02/79	10/06/95	Environmental Regulator Specialist Salary: $59,126
DIANE K. WESTBROOK 235-68-7420 OPT IN	Susan Postans Mgr. Customer Service & Marketing	04/09/43	07/15/85 11/5/84 Adj. service date	07/10/94	Energy Services Support Specialist Salary: $22,820
DALE E. WILSON 445-42-6969 OPT IN	Darlene Radford Supv. Market Retin. & Oper.	03/05/44	03/02/81	10/14/94	Energy Management Coordinator Region Operations Salary: $55,500
GUY N. ZISSIMOPULOS 263-17-4128 OPT IN	Sue Cleary Mgr. Sales/Mass Markets	03/16/54	05/17/82	10/14/94	Energy Services Specialist, N. Pinellas-Pasco Region Salary: $48,556

EXHIBIT C

IN THE UNITED STATES DISTRICT COURT FOR
MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, et al.	)	
Plaintiffs,	)	
v.	)	Case No.
FLORIDA POWER CORPORATION and FLORIDA PROGRESS CORPORATION	)	95-123-CIV-OC-10
Defendants.	)	

DECLARATION OF DAVID L. MILLER

COMES NOW, the undersigned, David L. Miller, and, pursuant to 28 U.S.C. § 1746, declares as follows:

1. My name is David L. Miller. I am competent to testify to, and have personal knowledge of the facts set forth in this Declaration. I understand that this Declaration is for use in connection with the above-captioned civil action, and I give it freely for that purpose.

2. I was employed by Florida Power Corporation ("FPC") from March, 1967 until my retirement in April of 1998. From 1996 until my retirement, I held the position of Vice President, Corporate Services. During the period from 1990 to 1996, I held the position of Senior Vice President, Corporate Services. It is in these capacities that I am familiar with the facts set forth herein.

3. During the early 1990s, as a result of the approaching deregulation of the electric utility industry, Florida Power determined it could no longer do business in a vacuum as a regulated industry. The Company needed to implement cost-cutting efforts to survive in the changing environment.

4. In 1992, Allen Keesler, then President of Florida Power, directed his direct reports, including myself, to find ways to reduce the workforce without negatively affecting customer service and reliability. He communicated that FPC would have to do more with less. His stated goal was to have the same number of employees in January 1994 as were employed in January 1991.

5. Neither I nor the other Senior Vice Presidents believed that Keesler's numbers were realistic. As a result, we met as a People Achieving Corporate Excellence ("PACE") Team to gather operating statistics, goals and objectives. We intended to show these figures to Keesler and convince him that his numbers were unrealistic.

6. Nothing came of these meetings or Keesler's stated objective at this time. FPC instead began looking for ways to reduce costs, which were not people-driven, through the use of an outside consultant, Ernst & Young.

7. Ernst & Young was retained because, with the advent of the deregulation, Keesler believed it was important for FPC to look for a "change mechanism". Ernst & Young provided the concept of Business Process Improvement ("BPI") as one methodology to bring about

this change. FPC employees worked on teams with consultants from Ernst & Young to learn the BPI methodology.

8. I was involved with the BPI process in 1991 through 1992. In the initial stages of BPI, I and the other Senior Vice Presidents identified approximately 83 processes that were performed in operating the business at FPC. We then decided to conduct detailed BPI studies into improving the efficiencies of the largest 10 to 12 of these processes.

9. The Materials and Contracts Department under my supervision was among the first areas selected to undergo a BPI study.

10. The BPI process was intended to focus upon efficiencies rather than upon reductions in staff. Some of the BPI projects resulted in an increase in staffing; some resulted in no changes; other BPI projects resulted in staff reductions.

11. By way of example, I directed that a BPI study be undertaken in or around September of 1994 to determine if Materials and Contracts functions could be consolidated corporate-wide. At the time, the nuclear side of the organization and the non-nuclear side each had separate Materials and Contracts departments with separate staff. The BPI study performed indicated that consolidation could occur and would increase efficiencies. However, the results shown by this BPI study were not implemented.

12. As part of BPI, Ernst & Young suggested the concept of a redeployment process, which was intended

to help place employees whose positions were eliminated because of the efficiencies brought about by BPI. As adopted by FPC, redeployment was a tool whereby employees were continued on full salary and benefits for six months during which time they were provided assistance in locating other jobs both internal and external to FPC. It was anticipated that most redeployed employees would find other positions within FPC. Redeployment was thought to be the most fair and humane method to address the issue of reduced staffing.

13. During this same time frame, 1992-1993, various departments throughout FPC began looking at ways to cut costs due to the coming deregulation. Because the redeployment process was being implemented at a time when departments were cutting back throughout the Company, few employees were being placed in new positions.

14. As a result, FPC realized that it was building false expectations of redeployed employees finding other jobs within the Company. Based on this observation, in October 1994, the Company decided to, instead, offer displaced employees a severance or Career Transition package.

15. While various departments were individually deciding upon reorganizations, cutbacks, and the like, no standard method was utilized throughout FPC to determine which positions would be affected and/or eliminated or which employees would be separated. In the areas under my responsibility, I asked my directors or department heads to determine the means by which they

could reduce costs. I provided no instructions as to what methodology to use to accomplish the cost reductions.

16. During the time that FPC was being re-engineered in order to survive in the coming non-regulated environment, I had seven separate areas of responsibility: Environmental, Information Technology, Materials and Contracts (non-nuclear), Technology (Research and Development), Human Resources, Fleet, and Corporate Communications.

17. In 1993, a BPI study was conducted for the non-nuclear Materials and Contracts area. The study identified numerous processes where costs could be reduced, such as electronic payment of bills, the elimination of purchase orders and various other streamlined operations. That study was also a driving force in the reorganization of the Materials and Contracts area at this time. For example, as a result of that study management and supervisory positions were reduced from approximately 27 to 8.

18. I did not directly participate in preparing the BPI study performed in the Materials and Contracts area or in effectuating the ultimate results obtained. Nor was I involved in selecting positions for elimination, determining the new organizational structure, or determining which employees would be retained within that structure. As a result, I was not involved in the individual decisions which may have affected the Plaintiffs who, at this time, worked in the Materials and Contracts area.

19. Information Technology was one of my areas of responsibility from approximately July of 1993 through September of 1996. During the period from July of 1993

until mid 1995 my direct report in IT was a Director (Jim Pollard, Don Higgins in an interim capacity, then Terry Tyler), who in turn provided the day-to-day oversight of the department.

20. During the period Higgins was acting Director of IT, he approached me with a plan to combine positions so as to reduce overstaffing in IT management. I was not involved in this decision, except to approve Higgins' plan. I was not directly involved in any decisions to select employees nor did I participate in the selection of employees for separation at this time. I recall that Plaintiffs Beck and Kenefick, and possibly Hoover, were separated as a result of Higgins' recommendation and were placed in redeployment status.

21. When Tyler resigned the Director position in mid 1995, I determined not to refill that position, but to direct the IT area myself. When I undertook this role, I had two objectives in mind for IT. First, I wanted to determine if the IT staff had the proper skill sets to take FPC to the next level in a competitive environment. Second, I wanted to address complaints I had heard about IT's effectiveness and customer service.

22. Thus, the issues surrounding staffing in IT were not related to cost. Instead, they were driven by the need to address management concerns. The focus of cost reductions in IT was on non-employee areas, such as renegotiation of contracts with software licensees, finding ways to decrease network expenses, consolidating vendors, etc.

23. While I had a bias that IT was too large, I never discussed or suggested to anyone that IT be downsized.

Further, no one ever discussed with me, nor instructed me to downsize that area or to otherwise reduce the number of employees in IT.

24. At the time, FPC had a contract with Anderson Consulting to develop a new customer service system. I learned from an Anderson employee about a banding process, which that company used to evaluate its employees on an annual basis. I adopted that banding system to evaluate the skill sets of the IT staff.

25. The banding process consisted of a matrix whereby employees could be ranked from 1 to 5. This was the first and only occasion I used this banding process. To my knowledge this banding process was not and has not been used anywhere else at FPC.

26. I first used the banding to rank my direct reports at the time, the IT managers. As a result of this ranking, I personally made the decision to separate Plaintiff Steve Twitty, along with three other managers. Among the factors I considered were management ability; the ability to work with others within a team; technical ability; and the ability to work without supervision. The bases of my decisions included management weaknesses in the case of Twitty and negative feedback and lack of leading edge technological knowledge in the cases of the other managers. These employees were provided a severance package and executed Career Transition agreements.

27. I then instructed my remaining managers, including James Trent, William Willits, Sherry Massmann, Michael Puleo, Mitchell Hull, Terry Cardwell, and Howard Adams, to rank the employees under their supervision using the banding process. (IT at this time was

comprised of several departments with distinct disciplines/functions.) I at no time instructed my managers to cut any specific number of employees. To the contrary, in many cases, we discussed that specific positions would have to be refilled.

28. After the initial banding was performed, I instructed my managers to meet in a group and get input into each's rankings. In some cases employees had performed tasks across functional lines, and I wanted all managers, who had experience with employees, to provide input. When the final bandings were complete the managers were to meet with me and advise as to their individual decisions.

29. My role in this process was as an overseer to ensure consistency. I provided no input into how the individual rankings would come out and made no changes to those rankings when they were presented to me. In fact, I could not have done so, as I was not very familiar with the IT employees below my direct reports. As a result, I had no role in the decisions to separate any IT Plaintiffs, other than Steve Twitty, in this case. Instead, decisions as to individual employees were generally made by that employee's manager.

30. Not all of the IT employees involved in this case were separated as a result of this banding process. In addition to the managers placed in redeployment, I am aware that opt-in Mark Peterson was not separated as a result of banding. The decision to terminate Peterson was made by Sue DeJarnette, Team Lead Systems Analyst, some months later. DeJarnette terminated Peterson's employment for performance reasons; I approved her

decision. At the time of his separation, Peterson was given a Career Transition package.

31. While the Career Transition package was not originally intended for employees, like Peterson, who were terminated for performance or similar reasons, in practice many such employees received the package. Similarly, while poor performers were to be dealt with outside of the Redeployment process, many supervisors and managers placed their poor performers in Redeployment.

32. In late 1995, I decided to abolish the Research and Development ("R&D") department. Prior to my decision, FPC had withdrawn from the Electric Power Research Institute ("EPRI") to eliminate the 6 million dollar annual cost in dues and support. The vast majority of the work performed in R&D had been coordinated through EPRI.

33. When FPC withdrew from EPRI, we tried to replace this type of work with the R&D staff. The costs associated with this research and development work were then billed directly to individual business units at FPC. When the heads of these business units determined that they could not budget for research and development, it was my decision to eliminate the entire R&D department.

34. At the time the department was abolished, its director was opt-in Patsy Baynard. Although I looked for other areas within FPC to reassign Baynard, there were no positions available. As a result, FPC provided Baynard a Career Transition payment in excess of $73,000 and outplacement services at an additional cost of approximately $10,000.

35. During this same period of time, like the R&D department, the Print Shop was eliminated. I was not directly involved in the decision to eliminate this department, but approved that recommendation from George McWilliams, Manager, Facilities Management. It is my understanding that opt-in Carrie Goddard Jones was one of the employees separated as a result of McWilliams' decision to eliminate this department.

36. During the time I retained responsibility, neither the Environmental, Human Resources, nor Corporate Communications areas engaged in any workforce reductions. Cost-cutting in these areas was achieved at the time through other methods.

37. Neither I nor any member of my organization had any involvement with any separations, restructurings or reductions in any areas of Florida Power other than outlined above.

I have read the foregoing Declaration and declare under penalty of perjury that it is true and correct.

Executed this 6th day of August, 1998.

/s/ David L. Miller
David L. Miller

EXHIBIT D

IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, *et al.* Plaintiffs, v. FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION Defendants. FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION Defendants/Counterclaimants v. JOE N. BRANNON, THOMAS CATLETT, JR., MICKEY GAULDIN, DOUGLAS JANOWSKI, AND JAMES M. PENNINGTON, *et al.*, Counterclaim Defendants.	)	Case No. 95-123-CIV-0C-10

DECLARATION OF JANICE B. CASE

COMES NOW, the undersigned, Janice B. Case, and, pursuant to 28 U.S.C. §1746, declares as follows:

1. My name is Janice B. Case. I am competent to testify to, and have personal knowledge of the facts set forth in this Affidavit. I understand that this Affidavit is

for use in connection with the above-captioned civil action and I give it freely for that purpose.

2. I have been employed by Florida Power Corporation ("FPC") since August 1976. I currently hold the position of Senior Vice President, Energy Solutions. I previously held the position of Vice-President of the Suncoast Florida Region from November of 1990 until June of 1996.

3. In 1990, Florida Power was organized into seven (7) divisions, which created many layers of management and identical functions in each division. The projected costs of the employees to support this organization could not be supported in the five-year budget.

4. In 1991-92, FPC began to take a more serious and cost conscious approach to its Strategic Planning. The company knew that the industry was changing, and that the company would soon have to function in a competitive environment. I was on the core team of senior managers who worked on the Strategic Plan and developed cost reduction targets for the company. To develop these targets, we started with FPC's five-year forecast for income and expenses, and budgeted back from those numbers. By utilizing this process, we arrived at a yearly reduction goal that would have to be achieved in order for the budget to balance.

5. Beginning in 1990, there were three principal reorganizations in the Distribution Area. Each had different goals and means to accomplish those goals.

6. The first initiative was to reorganize the Company's customer service and distribution engineering and

operations functions from a divisional structure to a regional structure. FPC went from seven divisions to three regions: the Suncoast, the North, and the Central regions. During this initiative, downsizing was accomplished through offering employees the option to take voluntary early retirement.

7. The second initiative eliminated the "district" structure and offices within the regions, and moved the company towards centralized back office and marketing operations. Back office operations include functions such as billing, credit and meter reading. Marketing operations include functions such as high bill complaints, customer contacts, and demand-side management programs. These operations, previously performed in over forty district offices, were now accomplished in centralized regional offices instead. During this initiative, downsizing was accomplished through offering employees the option to take early retirement (where applicable) or position elimination. The severance tool available to employees who were not eligible for early retirement at this time was the redeployment process.

8. The third major restructuring initiative involved the engineering and operation functions. Prior to the initiative, there were 15 to 20 self-contained, self-managed field centers. The number of field centers was reduced to around 9, with the number of major field centers (from a management perspective) in my area dropping from 4 centers to only 2. At the time of this initiative, severance was provided to employees as career transition packages.

9. In 1990, during the first initiative, I worked with Senior Vice-President Maurice Phillips to develop a new organizational structure for the Suncoast Florida Region. We began the process by determining our objectives including providing good customer service, lowering costs, organizing more effectively, and renewing all franchises.

10. Next, we analyzed different organizational models that we had encountered through competitive research and through the Strategic Planning process to determine which organizational model best met our objectives.

11. Then we ranked our top performing managers and employees, and placed them into positions within the new structure. After placing our top performers, we analyzed the personnel who remained to determine whether we could offer them an early retirement, another position within the company, or, as a last resort, whether we would have to terminate their employment with FPC. No Plaintiffs were separated as a result of this initiative.

12. During the next second and third initiatives, I formed teams in my area of responsibility to handle the reorganization of specific business areas, such as back office operations, marketing, and meter reading. I assigned a team leader (Nancy Ritz in back office, David Bonk in Marketing, and Ed Horn in Meter Reading) and team members to each team. These teams identified the positions that would be required in the newly reorganized business area, and also identified the positions that would be eliminated.

13. After the teams determined the reorganized business structure, they worked to identify both the employees who would fill the newly-created positions and the employees who would be terminated as a result of the reorganization. The teams assembled past performance reviews, and also collected information from current supervisors. The reorganization teams also worked with a representative from Human Resources to ensure consistency in their selection process. Based upon the information gathered about the individual employees, the teams ranked all employees against a matrix of criteria or dimensions that were essential for the new positions. I was not directly involved in this process other than in oversight capacity. I provided no input into how the individual rankings would come out.

14. The reorganization and consolidation of functions resulted in the termination of employees. As an example, customer service and marketing was centralized in the region and employees were selected to fill positions in the new organization based on review of prior performance, current supervisory assessment and position knowledge, and the skill and ability requirements of the job. Evaluators for the marketing and customer service organization included David Bonk, Tom Chamlee, Dan Christopher, Sue Cleary, Leslie Creech, Phil Hill and Nancy Sanborn. Using the criteria set forth above, it was recommended that Plaintiffs Linda K. Groseclose, David Hodgson, L. Dayton Jackson, Joe Reid, William A. Smith and Joseph B. Vaughn be placed in redeployment and I approved their recommendation.

15. I have been provided a list of original Plaintiffs, amendment Plaintiffs, and opt-in Plaintiffs in the case of

Adams v. Florida Power Corporation. I am personally familiar with some of these Plaintiffs and the circumstances under which their employment with Florida Power was terminated. For example, Randy Seifert, who was employed as a Line Service Supervisor in Clearwater, was terminated effective October 28, 1994 and was provided with Career Transition benefits. Prior to being terminated, Mr. Seifert was given the opportunity to be reassigned to the position of Service Supervisor at no reduction in pay. However, Mr. Seifert turned down this opportunity and elected to take the severance benefits provided through Career Transition.

16. Greg Frangipane, who was employed as a Supervisor in the Largo District Office, was separated in January, 1994 and provided with Redeployment benefits. Mr. Frangipane's termination was recommended by a management team consisting of Ed Horn, Reed Adcock, Mike Lewis, and Michael Higgs. Mr. Frangipane's termination was occasioned by the centrali ation of the back office functions which had formerly been performed on a decentralized basis.

17. Linda Baldwin, who was employed in Marketing as an Energy Service Representative, was terminated effective October, 1994 and was provided with Career Transition benefits. Ms. Baldwin was terminated due to a reduction in the number of employees in the Customer Service and Marketing Department.

18. David Reed, who was employed as a Senior Accounting Specialist, was terminated effective November, 1995 and was provided with Career Transition benefits. Mr. Reed was terminated due to the fact that there

was not enough work available for a regular, full-time employee such as Mr. Reed. In fact, Mr. Reed acknowledged and admitted that there was not enough work to keep him busy.

19. In addition to these reorganization efforts, FPC cut costs in other ways, as well. For example, in some instances, we were forced to roll back salaries as we placed employees into the new positions, because the company was committed to holding salaries to no more than 120% of the market value for that position.

20. During the same time period, FPC also began a program to help managers deal more directly with poor performers.

22. Although the Business Process Improvement ("BPI") process was also being employed on different projects throughout the company at the same time as some of the downsizing initiatives, it was not a significant influence in reorganizing efforts in my area of responsibility. BPI studies were performed and provided background for the reorganization to a centralized back office, and changes in the engineering and operations area. However, the results of the BPI studies did not drive the reorganization.

23. I had no involvement with the Tim Martin study, which was performed from late spring through July 1993 for the Nuclear Operations Division. Nor did I have any involvement in any employee separations or reductions in the Central and North Florida Regions, Energy Delivery, Energy Supply or in any area of Florida Power other than the Suncoast Florida region.

I have read the foregoing Declaration and declare under penalty of perjury that it is true and correct.

Executed this 5 day of August, 1998.

/s/ Janice B. Case
JANICE B. CASE

EXHIBIT E

IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, *et al.* Plaintiffs, v. FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION Defendants. FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION Defendant/Counterclaimant v. JOE N. BRANNON, THOMAS CATLETT, JR., MICKEY GAULDIN, DOUGLAS JANOWSKI, AND JAMES M. PENNINGTON, *et al.*, Counterclaim Defendants.	Case No. 95-123-CIV-OC-10

DECLARATION OF PERCY MORRIS BEARD, JR.

COMES NOW, the undersigned, Percy Morris Beard, Jr., and, pursuant to 28 U.S.C. § 1746, declares as follows:

1. My name is Percy Morris Beard, Jr. I am competent to testify to, and have personal knowledge of the facts set forth in this Declaration. I understand that this

Declaration is for use in connection with the above-captioned civil action and I give it freely for that purpose.

2. I was employed by Florida Power Corporation ("FPC") in November 1989. I assumed the duties of the position of Senior Vice President, Nuclear Operations in January, 1990. I retired from active employment with FPC in 1997.

3. FPC operates and maintains production plants, offices, and transmission and distribution facilities in different locations in 32 counties in the State of Florida. One such operation is the Nuclear Operations Division ("NOD") of which I was Senior Vice President. The vast majority of individuals employed in NOD work at the nuclear plant in Crystal River, Florida which is known as CR3.

4. In October, 1992, Congress enacted the Energy Policy Act of 1992, which deregulated the wholesale electrical generation market. This legislation evidenced Congress' intent to deregulate the wholesale electrical generation industry and to move utilities such as Florida Power from regulated, cost-plus monopolies to non-regulated, competitive entities.

5. In the spring of 1993, I undertook an analysis of NOD staffing and labor costs as part of an overall examination of NOD's competitiveness. I and other NOD personnel contacted other nuclear facilities, particularly other single-unit nuclear utilities such as FPC, to acquire data as to staffing levels and costs. During this effort, my colleagues at other facilities recommended Tim Martin, a consultant highly regarded as knowledgeable in the area of nuclear staffing efficiencies. Thereafter, Martin was

hired as an independent consultant to conduct a study of FPC's NOD staffing and to provide a benchmark comparison with FPC's competitors.

6. Martin prepared a staffing analysis report which compared staffing at CR3 with comparable facilities.

7. During this time in 1992 and 1993, NOD had begun the process of eliminating vacant regular positions as well as its complement of full-time contractor personnel. In mid-1993, I met with my management team to discuss Martin's recommendations for further reducing areas of overstaffing within NOD. During these meetings, we did not select specific personnel for termination; rather, it was decided that individual employment decisions would be left to the discretion of the various department managers or supervisors, using the guidelines discussed below.

8. In connection with NOD downsizing, I issued guidelines (prepared at my direction by Larry Kelly who was Nuclear Training Director) which provided a general framework for use in evaluating and selecting personnel for layoff.[1] At my insistence, these guidelines were to be utilized to ensure that decisions pursuant to the downsizing process were made on the basis of performance alone, and that the selection process was otherwise nondiscriminatory.

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[1] A true and correct copy of those guidelines is attached hereto as Exhibit 1. True and correct copies of these guidelines as utilized by various supervisors in the actual selection of employees are attached hereto as Exhibit 2.

9. Neither I nor any member of my organization had any involvement in any terminations, reorganizations, plant closings, or reductions in any area of Florida Power other than the Nuclear Operations Department.

I have read the foregoing Declaration and declare under penalty of perjury that it is true and correct.

Executed this the 1 day of August, 1998.

/s/ Percy Morris Beard, Jr.
PERCY MORRIS BEARD, JR.

EXHIBIT 1

10/93

GUIDELINES FOR EVALUATION AND SELECTION OF NUCLEAR OPERATIONS PERSONNEL

The purpose of these guidelines is to provide assistance to supervision in the selection of personnel for jobs affected by departmental downsizing. The primary objective is to assure that a fair process, meeting all legal standards, is consistently applied across Nuclear Operations.

To implement this process, the supervisor and his or her next level of management will review the appropriate EPQ, Job Description or Job Function Survey and determine the most important dimensions (approximately 5-10) to be successful in the job. The selection should also include any dimensions that would be needed in the future due to anticipated changes within the job scope.

The dimensions should then be weighed to reflect their importance to the candidate's success in the job. The weighing scale should be as follows:

3. critical to job performance;

2. very important to job performance;

1. important to job performance.

The supervisor should enter the dimensions and weighing factors on the Position Evaluation (Form 1). Both the supervisor and next level of management must reach consensus on the validity of both the dimensions and the weighing factors.

Based on the candidate's performance (from observations, performance evaluations, feedback, review of non-productive time, etc.) the supervisor and next level of management will evaluate each of the candidates for the position against the mutually agreed upon set of dimensions. The candidate's evaluation should be independent of any comparison to other candidates. A consensus rating will be agreed upon and entered in the appropriate box of the Position Evaluation (Form 1).

The supervisor will then complete his or her evaluation of the candidate's *current* performance and enter the rating along with any remarks he or she feels are appropriate.

Next, the supervisor will determine the candidate's average performance for the past 3 years and enter the results as indicated on Form 1.

The supervisor will total the score and discuss the results with the next level of management. When a consensus is reached, both the supervisor and next level of management will sign the Position Evaluation (Form 1). The supervisor will enter the results on the Evaluation Summation (Form 2). Upon completion of all Position Evaluations, the supervisor will determine the candidate(s) selected based on the highest score(s) and so indicate in the appropriate block on Form 2.

The second level of review is performed and the appropriate signature block on Form 2 is signed by the next level of management. The Evaluation Summary is then forwarded to the director for his review and approval.

The selection evaluation package (EPQ/Job Description, Position Evaluation Form, and Evaluation Summation Form) will be taken to a Review Board for review and approval. The Review Board is made up of the Vice President of Production and two directors not associated with the selection process being considered.

The director, second level of management or supervisor performing the selection process will present the results to the Review Board and answer any questions the Board may have concerning the candidate(s) or the evaluation process.

Once the Board is satisfied that an objective evaluation has occurred, the chairman will sign the Evaluation Summary and return the package to the director for filing.

The supervisor or manager will make appropriate notifications of de-selected candidates. The de-selected candidates will enter the redeployment process per current Human Resource guidelines.

10/93
Position Evaluation
Form 1

_____
Position Title

_____
Candidate's Name

C/F	Current/Future Dimensions	Weighing Factor 1-3	Rating 1-5	Score
			TOTAL:	

Supervisor evaluation of current performance
(1-5) x 5 = _____

Average performance evaluation last 3 years
(1-5) x 5 = _____

Remarks:
Approvals: TOTAL: _____

Supervisor	2nd Level of Management	Director

10/93
Form 2

EVALUATION SUMMATION

_____
Position Title

	Candidate's Name	Total Score	Selected (Y/N)
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Approvals:

_____
Supervisor

_____
2nd Level of Management

_____
Director

_____
Review Board Chairman

_____

[EXHIBIT 2 – Guidelines for Evaluation and Selection of Nuclear Operations Personnel as utilized by various supervisors omitted in printing.]

_____

EXHIBIT F

IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, et al.	)	
Plaintiffs,	)	
v.	)	
FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION	)	Case No. 95-123-CIV-OC-10
Defendants.	)	
FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION	)	
Defendants/Counterclaimants	)	
v.	)	
JOE N. BRANNON, THOMAS CATLETT, JR., MICKEY GAULDIN, DOUGLAS JANOWSKI, AND JAMES M. PENNINGTON, et al.,	)	
Counterclaim Defendants.	)	

DECLARATION OF JOHN A. HANCOCK

COMES NOW, the undersigned, John A. Hancock, and, pursuant to 28 U.S.C. § 1746, declares as follows:

1. My name is John A. Hancock. I am competent to testify to, and have personal knowledge of the facts set forth in this Declaration. I understand that this Declaration is for use in connection with the above-captioned civil action and I give it freely for that purpose.

2. I was employed by Florida Power Corporation ("FPC") from October 1967 until I left the active employment of FPC in November of 1997. From January, 1993 until my retirement, I held the position of Senior Vice President, Energy Supply.

3. During 1993, Florida Power saw the reality of rapid change coming due to the competition in the electric utility industry. Although the company was not accustomed to cut-backs, FPC realized that it needed to implement cost-cutting efforts to remain competitive. At that time, utilities were knowledgeable about the staffing levels and plant performance of other utilities. This exchange of information no longer occurs, because of the increasing pressures of competition.

4. Downsizing at Florida Power was purely cost driven. I received no quotas regarding the degree to which I would have to reduce my staff. Allen Keesler, then President of Florida Power, challenged the Senior Vice Presidents, myself included, to determine how many positions could be eliminated.

5. In my area, we focused on work functions, and analyzed those functions to determine what positions could be abolished or consolidated with other positions. I had control over the number of positions that were to be eliminated in my area. My managers and I made the determination as to how many positions to cut, and then relayed our conclusions and planned layoffs to Keesler, which he accepted.

6. The responsibility for determining the right number of positions to be abolished was mine, because, ultimately, I would be responsible for sustaining the quality of performance, despite having reduced staff.

7. My area was one of the first areas in the company to implement and complete reductions in staff. We worked with a representative from Human Resources, who counseled us on the importance of and ways to preserve employee dignity during layoffs. This sensitivity to our people was a very high priority for us.

8. FPC utilized the redeployment process to try to find positions for those employees whose positions were eliminated. It was difficult to place employees from the redeployment process into new positions in the company because employees generally possessed a very narrow set of skills. Employees at FPC typically spent their entire work lives in a single job function or job family. Although the expectations attached to the concept of redeployment were probably not as realistic as it should have been, the company's motivation was to try to provide legitimate job opportunities for its displaced employees.

9. I relied upon my direct reports to develop and implement a plan for reorganization and reduction-in-force. This group consisted of R. C. Bonner, who had responsibility for the coal fired generating plants; Bruce Baldwin who had responsibility for combustion turbine plants; Jim Stitt who had responsibility for energy supply services including engineering and the system maintenance crew; and Eric Major who had responsibility for generation construction. During the period in question,

George Marks replaced R. C. Bonner and became responsible for the coal fired fossil plants.

10. In my area we accomplished about a 20% reduction in staff, mainly through the closing in January, 1994 of the Higgins and Turner generating plants. Both plants were fuel inefficient and expensive to maintain and operate. This resulted in the elimination of approximately 100 exempt, non-exempt, and bargaining unit job classifications.

11. My managers determined the appropriate level of positions to eliminate from our area. The managers worked together, and also obtained information from plant managers and superintendents. I left the decisions as to what positions could be eliminated up to the managers. I was generally surprised by the high level of cuts that they decided were appropriate.

12. I did not make the selection or decision as to which employees would be terminated. The responsibility for making such decisions was assigned to managers and supervisors who had direct knowledge of the abilities, level of job performance, and skills of the persons under consideration.

13. Steven L. Koon, who was terminated effective January 21, 1994, was employed as Supervisor of Maintenance at the Anclote Plant. His termination was recommended by Plan Manager Hank Dumas. The severance benefits of the Redeployment process were made available to Mr. Koon. It is my understanding Koon was separated because the job performance of two other outage planners was considered to be superior to his performance.

14. Donald Breeden, who was terminated effective October 28, 1994, was employed as a Maintenance Planning Supervisor in the Crystal River Site Support Department. His termination was recommended by Edward Carnahan, Manger of Crystal River Site Support, and Roy Carr, Maintenance Superintendent. These managers selected Mr. Breeden based on their knowledge of his past and current performance and his capacity to contribute in the future.

15. Gary E. Waldo, who was terminated effective October 6, 1995, was employed as an Environmental Regulatory Specialist at Crystal River Plants 4 and 5. James Cossey, who was Superintendent of Technical Services at Crystal River Coal Plants 4 and 5, recommended to a management group consisting of Byron Covey, J. Baumgardner, Charlie Snipes, and Ray Clauss that Mr. Waldo be terminated and receive career transition benefits. It is my understanding that Waldo was separated based on management's evaluation of over 15 incumbent employees. Its evaluation took into account job performance and ability to function in the new organization.

16. Thomas Catlett, Jr., who was terminated effective October 28, 1994, was employed as Supervisor, Maintenance Planning, at the Crystal River Plants 1 and 2. His termination was recommended by Plant Manager Danny Douglas in conjunction with Supervisor David Brass. Mr. Catlett was offered, but did not accept, the severance benefits of the Career Transition process. It is my understanding that Catlett was selected over the two other supervisors because his primary responsibility involved planning work for maintenance crews during planned outages. When in early 1994 the outage schedule was

changed from a twelve to an eighteen month rotation, Catlett's responsibilities (unlike those of the other two supervisors) were substantially reduced, such that he was selected for separation.

17. Willis R. Barnes, who was terminated effective December 29, 1995, was employed as a Maintenance Superintendent at the Bartow Plant. Mr. Barnes received career transition benefits. Bernie Cumbie, who was Plant Manger of the Bartow Plant, in conjunction with George Marks, selected Mr. Barnes for termination. It is my understanding that Barnes was selected after management reorganized the plant and eliminated this position. Messrs. Cumbie and Marks evaluated Mr. Barnes and other management personnel and he scored lower than other candidates.

18. I also worked with the Human Resources department to deal with issues of poor performance separately from the staff reductions. I strongly emphasized to my managers the importance of exhibiting discipline to assure an objective performance review process, however challenging that might be.

19. Although poor performers were not supposed to be placed into the redeployment pool, there were times where this may have happened, since redeployment was an [sic] generally a more comfortable way to deal with marginal or poor performers.

20. Neither I nor any member of my organization had any involvement with the Tim Martin study, which was performed from late spring through July 1993 for the Nuclear Operations Division. Neither I nor any member

of my organization had any involvement with any separations or reductions in any area of Florida Power other than Energy Supply.

I have read the foregoing Declaration and declare under penalty of perjury that it is true and correct.

Executed this 1st day of August, 1998.

/s/ John A. Hancock
JOHN A. HANCOCK

EXHIBIT H

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF
FLORIDA OCALA DIVISION

WANDA L. ADAMS, *et al.*	)	
Plaintiffs,	)	
v.	)	Case NO.
FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION	)	95-123-CIV-OC-10
Defendants.	)	
FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION	)	
Defendants/Counterclaimants	)	
v.	)	
JOE N. BRANNON, THOMAS CATLETT, JR., MICKEY GAULDIN, DOUGLAS JANOWSKI, AND JAMES M. PENNINGTON, *et al.*	)	
Counterclaim Defendants.	)	

DECLARATION OF WAYNE C. FOREHAND

COMES NOW, the undersigned, Wayne C. Forehand, and, pursuant to 28 U.S.C. §1746, declares as follows:

1. My name is Wayne C. Forehand. I am competent to testify to, and have personal knowledge of the facts set forth in this Declaration. I understand that this Declaration is for use in connection with the above-captioned civil action and I give it freely for that purpose.

2. I have been employed by Florida Power Corporation ("FPC") since February 1981. I currently hold the position of Vice President, Energy Distribution, and have held that position since July 1996.

3. During 1992-93, pending deregulation of the electric utility industry led Florida Power to the realization that it needed to implement cost-cutting efforts.

4. Executive Vice-President Maurice Phillips communicated his desire to reduce costs, which required a reduction in staff. As a result, the three Regional Vice-presidents, myself, Janice Case, and Pete Dagostino, formed committees to respond to his proposal, and to determine which cuts would be made. I assembled my own team to review the structure of my organization in the North Florida Region.

5. The North Florida Region was divided into three functional teams with Susan Postans leading the Customer Service and Marketing team, Mike Harbour leading the Business Office team and Wally Guthrie leading the Engineering and Operations team. Each team gathered performance evaluations from the previous two years, collected input from field managers, and in some cases, made personal observations of each employee. For

example, Susan Postans developed an "Employee Inventory" form for her team members' use in obtaining input from supervisors and managers in her area.[1]

6. At the same time, the company was making a concerted effort to deal with poor performers. Poor performers were defined as those persons who had had at least one earlier poor performance evaluation and at least one other documented poor performance issue. Poor performers were to be terminated, and were not to be placed in the redeployment process. However, some poor performers were given redeployment and, later, career transition benefits.

7. I have been provided with a list of the original Plaintiffs, amendment Plaintiffs, and opt-in Plaintiffs in the case of *Adams v. Florida Power Corporation*. A number of these Plaintiffs formerly worked in what was then the North Florida Region.

8. Lorin Bryan, who was Manager of Energy Services was placed in redeployment status in late 1993 and advised that he was not eligible for any other position at Florida Power as a result of a sexual harassment claims against him. I approved the decision made by Susan Postans with respect to the termination of Mr. Bryan.

9. Diane Westbrook, who was employed as an Energy Services Support Specialist, separated in July, 1994. When Ms. Westbrook's position in Monticello was eliminated, she was offered a transfer to Perry, Florida to

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[1] A true and correct copy of Ms. Postons' "Employee Inventory" form is attached hereto as Exhibit 1.

work as a Customer Service Representative. She declined this offer and elected Career Transition benefits.

10. Roy C. Hooks, who was employed as a Line Foreman, was terminated in October, 1994. His termination was recommended by William H. Naylor when Naylor determined to reduce the number of foremen positions in his area of responsibility from five to four. Mr. Hooks was offered the opportunity to return to a position in the bargaining unit (Servicemen) in Cross City, Florida but he elected to take Career Transition benefits as opposed to transferring into this bargaining unit position.

11. I made the decisions that led to the separations of Alexa M. Richardson and Larry Bayes, who both were employed as Area Managers. I consolidated these two manager positions (and their territories) and selected Tom Tuckey for the combined job. I believe Mr. Tuckey to be either the same age as, or older than, Ms. Richardson and Mr. Bayes. While there were some performance-related issues with Ms. Richardson, rather than simply terminate her, I decided to provide her with Career Transition benefits. Because Mr. Bayes applied for long term disability retirement under the Company's plan, he was retained on the payroll at full salary and benefits for the required eligibility period.

12. Reductions in force at Florida Power were dollar driven, never people driven. The actual requirement to cut was driven by budget constraints. To my knowledge, no "headcount" reduction goals were ever given.

13. Neither I nor any member of my organization had any involvement with the Tim Martin study, which

was performed from late spring through July 1993 for the Nuclear Operations Division. Nor did I or any member of my organization have any involvement with any reductions that took place other than in Energy Distribution.

I have read the foregoing Declaration and declare under penalty of perjury that it is true and correct.

Executed this 6 day of August, 1998.

/s/ Wayne C. Forehand
WAYNE C. FOREHAND

EXHIBIT NO. 1

EMPLOYEE INVENTORY

EMPLOYEE NAME: _____
CURRENT POSITION: _____
CURRENT LOCATION: _____

DIMENSIONS	COMPETENT	DEVELOPMENT OPPORTUNITY	N/A
*Listening			
*Oral Communication			
*Oral Presentation			
*Written Communication			
*Technical Translation			
*Work Standards			
*Initiative			
*Stress tolerance			

*Energy _____

*Attention to Detail _____

*Vigilance _____

*Integrity _____

*Practical Learning _____

*Sensitivity _____

*Leadership _____

*Tenacity _____

*Sales Ability/ Persuasiveness _____

*Impact _____

*Rapport Building _____

*Behavioral Flexibility _____

*Negotiation _____

*Adaptability _____

*Independence _____

*Resilience _____

*Analysis _____

*Judgment _____

*Decisiveness _____

*Oral Fact Finding _____

*Innovativeness _____

*Planning and Organizing _____

COMMENTS:

_____

_____

_____

_____

_____

_____

_____

_____

_____

The following list includes the definitions of the dimensions included on the inventory. Please do not feel restricted to these. We can make additions to the list or COMMENT areas are provided for your use. I hope this list is helpful, it is simply a collection of the information in the Targeted Selection training manuals.

DIMENSIONS

Listening – Use of information extracted from oral communications.

Oral Communication – Effective expression in individual or group situations (includes gestures and nonverbal communication).

Oral Presentation – Effective expression when presenting ideas or tasks to an individual or to a group when given time for preparation (includes gestures and nonverbal communication).

Written Communication – Clear expression of ideas in writing and in good grammatical form.

Technical Translation – Converting information from scientific or technical documents and other sources into a communication understandable by laymen.

Work Standards – Setting high goals or standards of performance for self, subordinates, others, and organization. Dissatisfied with average performance.

Initiative – Active attempts to influence events to achieve goals: self-starting rather than passively accepting. Taking action to achieve goals beyond what is necessarily called for: originating action.

Stress tolerance – Stability of performance under pressure and/or opposition.

Energy – Maintaining a high activity level.

Attention to Detail – Total task accomplishment through concern for all areas involved, no matter how small.

Vigilance – Maintenance of watchfulness and attention over time.

Integrity – Maintaining social, ethical, and organizational norms in job-related activities.

Practical Learning – Assimilating and applying new, job-related information, taking into consideration rate and complexity.

Sensitivity – Actions that indicate a consideration for the feelings and needs of others.

Leadership – Utilization of appropriate interpersonal styles and methods in guiding individuals (subordinates, peers, superiors) or groups toward task accomplishment.

Tenacity – Staying with a position or plan of action until the desired objective is achieved or is no longer reasonably attainable.

Sales Ability/Persuasiveness – Utilizing appropriate interpersonal styles and methods of communication to gain agreement or acceptance of an idea, plan, activity, or product from clientele.

Impact – Creating a good first impression, commanding attention and respect, showing an air of confidence.

Rapport Building – Initial and continuing impact. The ability to meet people easily and to be liked; to get along

well with people and to put them at ease; and to quickly build rapport through pro-active development of close relationships.

Behavioral Flexibility – Modifying behavior to reach a goal.

Negotiation – Communicate data or arguments in a manner that gains agreement or acceptance.

Adaptability – Maintaining effectiveness in varying environments and with varying tasks, responsibilities, or people.

Independence – Taking actions in which the dominant influence is one's own convictions rather than the influence of others' opinions.

Resilience – Handling disappointment and/or rejection while maintaining effectiveness.

Analysis – Relating and comparing data from different sources, identifying issues, securing relevant information, and identifying relationships.

Judgement – Developing alternative courses of action and making decisions which are based on logical assumptions and which reflect factual information.

Decisiveness – Readiness to make decisions, render judgments, take action, or commit oneself.

Oral Fact Findings – Gathering information for decision making through questioning.

Innovativeness – Generating and/or recognizing imaginative, creative solutions in work-related situations.

Planning and Organizing – Establishing a course of action for self and/or others to accomplish a specific goal; planning proper assignments of personnel and appropriate allocation of resources.

EXHIBIT H

IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

WANDA L. ADAMS, *et al.*	)	
Plaintiffs,	)	
v.	)	
FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION	)	Case No. 95-123-CIV-OC-10
Defendants.	)	

DECLARATION OF PETER DAGOSTINO

COMES NOW, the undersigned, Peter Dagostino, and, pursuant to 28 U.S.C. §1746, declares as follows:

1. My name is Peter Dagostino. I am competent to testify to, and have personal knowledge of the facts set forth in this Declaration. I understand that this Declaration is for use in connection with the above-captioned civil action and I give it freely for that purpose.

2. I have been employed by Florida Power Corporation ("FPC") since September 1968. I currently hold the position of Vice President, Bulk Power Delivery, and have held that position since July 1996. I previously held the position of Vice-President, Central Florida Region from January 1994 to June 1996.

3. In mid 1993, I received a directive to reduce budgeted expenses in the Central Florida Region from Senior Vice-President Maurice Phillips. In order to meet this directive it became apparent to me that organizational changes and workforce reductions would be necessary. I then had to determine how best to accomplish the reductions.

4. Due to a number of voluntary retirements, I did not have to make any decisions to reduce the managers who reported directly to me (my "direct reports") in the Central Florida Region. As a result, none of the Plaintiffs in this case were affected by this reduction.

5. My remaining direct reports made up my reorganization team. This team developed a new organization for my area, which I approved. This reorganization team identified the various positions that would be required in the departments, and then identified which among our current employees best fit the newly defined positions. I was not directly involved in the majority of initial decisions as to which employees would be separated, however, I did review and approve the selections made by the reorganization team. I do not recall overriding any of these selection decisions.

6. During this initial downsizing (at which time redeployment benefits were offered to terminated employees), I was assisted by a management team consisting of Wayne Forehand, Paul Lewis, Chuck Manning, Dawn Thompson, Keith Hulbert and Carla Morrison. Approximately a year later, when my area underwent another reorganization and downsizing (at which time

career transition had replaced redeployment as the severance tool), I was assisted by Chuck Manning, Dawn Thompson, Paul Lewis, Keith Hulbert and Carla Morrison. During each reorganization, these individual managers, or in many cases, the supervisors under their chain of command made the decisions as to who among their reports would be separated.

7. For example, Plaintiff Michael Harmeling, who was terminated in October, 1994, was employed as an Energy Services Analyst in Lake Wales. The number of individuals holding Mr. Harmeling's job classification was reduced, and Darlena Radford, Supervisor Market Retention & Operations, assessed Mr. Harmeling as having low potential, based upon abilities, skills and competencies. Ms. Radford made the recommendation to her manager, Dawn Thompson, that Mr. Harmeling be separated. Mr. Harmeling received career transition benefits at the time of his termination.

8. While a number of the Plaintiffs in the case of *Adams v. Florida Power Corporation* received the benefits of either the redeployment or career transition processes, these individuals were not necessarily separated as a result of any downsizing initiative. For example, Opt in Plaintiff Earl W. Bettis was separated effective May 22, 1994, from his Engineering Aide position in the Engineering Department and received redeployment benefits.

9. Mr. Bettis had been previously transferred, due to health reasons, from the Line Department into his entry level Aide position in Engineering. Mr. Bettis was never able to fully perform the engineering functions and was given very rudimentary engineering tasks, as well as, odd

jobs such as repairing broken sprinkler heads and running errands. When (pursuant to my directive and at the request of Division Manager Bill Britt) Department Manager Brad Shepherd was instructed to identify underperformers, Mr. Bettis was the [sic] identified from the Engineering Department. Because Mr. Bettis was not a bad employee, but simply could not handle the engineering work, the decision was made to provide him with redeployment benefits.

10. Similarly, Judith A. Carey, who was employed as a Supervisor in the Customer Service Center, separated in October, 1994. Ms. Carey's department was being combined with another area and, at that time, she had been requested to provide her manager, Keith Hulbert with different areas of interest to pursue her career with FPC. Mr. Hulbert had been charged with consolidating the Business Offices along with Billing, New Services, and other functions within the Central Florida Region. Although Ms. Carey had been assured another position within FPC, Ms. Carey instead elected to take a career transition package to pursue another career.

11. Neither I nor my reorganization team had any involvement with any reductions that took place in the Nuclear Operations Division, the North or Suncoast Florida Regions, Energy Distribution, Energy Services or any area other than the Central Region.

I have read the foregoing Declaration and declare under penalty of perjury that it is true and correct.

Executed this 5th day of August, 1998.

/s/ Peter Dagostino
PETER DAGOSTINO

EXHIBIT I

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF
FLORIDA OCALA DIVISION

WANDA L. ADAMS, et al. Plaintiffs, v. FLORIDA POWER CORPORATION AND FLORIDA PROGRESS CORPORATION Defendants. FLORIDA POWER CORPORATION Defendant/ Counterclaimant v. JOE N. BRANNON, THOMAS CATLETT, JR., MICKEY GAULDIN, DOUGLAS JANOWSKI, AND JAMES M. PENNINGTON, *et al.*, Counterclaim Defendants.	)	Case No. 95-123-CIV-OC-10

DECLARATION OF ROY C. CONNER

COMES NOW, the undersigned, Roy C. Conner, and, pursuant to 28 U.S.C. § 1746, declares as follows:

1. My name is Roy C. Conner. I am competent to testify to, and have personal knowledge of the facts set forth in this Declaration. I understand that this Declaration is for use in connection with the above-captioned civil action and I give it freely for that purpose.

2. I was employed by Florida Power Corporation ("FPC") in 1977. From 1992 to 1995 I held the position of Director of Business Process Improvement ("BPI"). I left FPC's employment in 1998.

3. During the 1991-92 Strategic Planning Sessions, the company identified the need to improve organizational effectiveness. FPC saw competition coming due to the deregulation of the electric utility industry, and realized that it needed a bigger and faster method to turn the company around. FPC management was aware of cost-cutting efforts being taken by competitors.

4. At FPC, the average span of control, that is, the ratio of employees to supervisors, was approximately 6 employees to each supervisor. FPC was "top heavy," and was not in line with other companies, whose ratio was generally 10 employees per supervisor.

5. FPC formed a committee to address the problem of organizational effectiveness. I was a member of the committee. One of the first actions taken by the committee was to interview and select an outside consultant to develop a plan for business improvement. We selected Ernst & Young, because they exhibited a more thorough understanding of the problems facing FPC.

6. We began with an Organizational Design study led by Ernst & Young. The direct reports of each Senior

Vice President identified all of the processes performed and the resources used to perform those processes. This exercise resulted in a list of 83 current processes, along with the costs and number of personnel associated with each process.

7. In December 1992, I assumed the position of Director, Business Process Improvement ("BPI".) Part of my role was to serve as a liaison between FPC and Ernst & Young. BPI was officially kicked off in January 1993, and began with 4 projects: Power Plant Procurement, T & D Inventory Management, Customer Inquiries and Other Requests, and New Services.

8. The objective of the BPI process was to utilize an evolutionary approach to increase efficiency and level of customer service. BPI focused on process improvement and cost reductions rather than personnel reductions. BPI analyzed the number of personnel required to complete a process, and was designed to reduce costs where a process was identified that was consuming an unreasonable amount of resources.

9. The BPI methodology was composed of four phases – target, analyze, design, and implement. The first phases were the targeting and analyze phases, where the BPI team worked with management to identify the process to be studied. The BPI team documented management's goals for the process, the way in which the process functioned, departments involved, and resources necessary to complete the process.

10. The third phase of the BPI methodology was the design phase, where the team analyzed possible ways of improving the process, and produced a "future state"

analysis report. It was during the design phase that recommended changes were applied to implement the "future state" of the process.

11. BPI was not intended to address issues such as manpower or head count, and did not always result in a reduction in costs. On occasion, the BPI process would identify a process with inadequate resources, and the result would be that resources devoted to that process were increased. As a result of the 23 separate BPI projects completed during Jan. 1993 through Dec. 1995, 204 full-time positions were targeted for removal from processes that had been redesigned, however, only 160 positions were actually removed. The BPI study did not focus upon nor even identify specific employees within the positions targeted for removal.

12. The concept of the redeployment process was suggested to FPC by the consultants from Ernst & Young, and was designed to accommodate the anticipated small number of employees who would be displaced as a result of BPI.

13. During the time that the BPI team was designing slow and gradual changes to be applied to the various processes, there was increased pressure throughout the corporation to reduce costs. In many areas this thrust translated into workforce reductions. The sudden influx of employees to the redeployment process as a result of the reductions in force caused the redeployment process to crumble, because there were few opportunities to place redeployed workers into other jobs within the company, since all departments were facing cutbacks.

14. The BPI project continues to operate at Florida Power.

15. Neither I nor any member of the BPI project nor anyone at Ernst & Young had any involvement with the Tim Martin study, which was performed from late spring through July 1993 at the direction of Pat Beard for the Nuclear Operations Division ("NOD"). Nor did I nor any member of the BPI project nor anyone at Ernst & Young have any involvement in any workforce reductions or reorganizations in the North, Central, or Suncoast Florida regions, energy supply or energy delivery.

I have read the foregoing Declaration and declare upon penalty of perjury that it is true and correct.

Executed this 4 day of August, 1998.

/s/ Roy Conner
ROY C. CONNER

Adams et al. v. Florida Corp.
and Florida Progress Corp.,
Case No. 95-123-CIV-OC-10A
United States District Court for the
Middle District of Florida, Ocala Division

Exhibits A through S, and V to Plaintiffs'
Response to Defendant's Motion to Decertify
and Incorporated Memorandum of Law

September 30, 1998

EXHIBIT A

[LOGO] Florida
Power
CORPORATION

INTEROFFICE CORRESPONDENCE

Executive	A8A	231-5721
Office	MAC	Telephone

SUBJECT:

TO: Organizational Design Participants
DATE: May 22, 1992

For some time now I have been excited about starting an Organizational Design process to better manage the most effective organization possible. The Organization Design Task Force, under the direction of George Rickus and Janice Case, with representatives from all major areas of the company, proposed a process which was approved by your senior management and will begin on September 7th. This time frame was selected so intensive work required by the rate case can be finished, the nuclear outage completed, and most vacations behind us.

"Phase I", examination of the top three layers of the company, will begin on September 7th. Your attendance is critical to the success of this project. During the approximate forty-day time frame (see attached schedule), I am personally requesting each of you to be available on the days indicated as we cannot adjust dates for individuals nor are substitutes acceptable. You should note that your attendance is required at four three-hour meetings during this time.

We have contracted with Ernst & Young of Atlanta to help facilitate this program. Janice and George will give an overview of an introduction to the process at our June 8th Strategy Session, and Michael Heideman of Ernst & Young will be at the August 10th Coordination Meeting to meet participants and discuss some preliminary assignments.

My objectives for the overall process can be summarized as follows:

> While employment will increase as parts of the Strategic Plan are implemented (particularly in conservation and customer information), it is my goal that the company have the same number of employees by January 1994 as it had in January 1991. This will mean that we will have to be more critical in our thinking when filling open positions, and we will have to be more skillful in redeploying people from historical areas of importance to those organizational areas of strategic and tactical future importance.
>
> A reduction in organization layers where appropriate.
>
> Increased responsibilities so that jobs can be made more challenging. This clearly includes increasing spans of control where appropriate.
>
> Non-value-adding work processes discontinued and value-adding processes strengthened where possible.

We have a tremendous opportunity to achieve significant improvement in the way we conduct our business and the manner in which products and services are provided to internal and external customers. I urge all of you to fully

participate in this process as a team player. Anyone who comes to the meetings more concerned about "protecting turf" than improving the organization will not benefit and may even suffer from the process. Our ability to achieve competitive excellence will be up to each of us, and I believe you will more than rise to the challenge.

I look forward to working with you on this exciting and challenging process.

/s/ A. J. Keesler, Jr.
A. J. Keesler, Jr.

AJK:bbc

Attachment

EXHIBIT B

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for a rate increase by Florida Power Corporation.	DOCKET NO. 910890-EI

DEPOSITION OF: Allen J. Keesler, Jr.

TAKEN AT THE INSTANCE OF: The Staff of the Florida Public Service Commission

PLACE: Florida Power Corporation
3201 34th Street South
6th Floor
St. Petersburg, Florida

TIME: Commenced at 10:07 a.m.
Concluded at 11:41 a.m.

DATE: Monday, January 4, 1993

REPORTED BY: Brian L. Boles, RPR
Notary Public
State of Florida at Large

[2] APPEARANCES:

MICHAEL A. PALECKI, Staff Counsel, Florida Public Service Commission, 101 East Gaines Street, Fletcher Building, Room 226, Tallahassee, Florida 32399-0863, Telephone No. (904) 487-2740, appearing on behalf of Florida Public Service Commission.

JAMES A. MCGEE, Senior Counsel, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, Telephone No. (813) 866-5184, appearing on behalf of Florida Power Corporation.

RICHARD W. NEISER, General Counsel, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, Telephone No. (813) 866-5184, appearing on behalf of Florida Power Corporation.

ROGER HOWE, Office of Public Counsel, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400, Telephone No. (904) 488-9330, appearing on behalf of the citizens of the state of Florida (via telephone).

[3] INDEX

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ALLEN J. KEESLER, JR.	
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EXHIBITS

Number:		Identified
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2	Interoffice Correspondence dated 9/21/92	8
3	(Late filed) Date of staff meeting concerning work force reduction or date task force was initiated	17
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5	(Late filed) Notes of rating agency meetings within the last six months	45

[4] ALLEN J. KEESLER, JR.,

appeared as a witness and, after being duly sworn by the court reporter, testified as follows:

MR. PALECKI: We're going to be taking two depositions this morning, and the other is Mr. Scardino. Normally, we don't invoke the rule, but I think in this deposition, I would prefer to do both witnesses separately, if you don't have any objection.

MR. NEISER: Well, is there a reason for that, Mike? As you say, normally, we have not done that in our depositions in the whole rate case, that I know of.

MR. PALECKI: The only – the only reason is to – I would like each witness to provide their independent recollection of what has occurred, and I'm just concerned that with both witnesses in the room together, it's – it can influence the testimony.

MR. NEISER: Okay.

MR. MCGEE: I have no problem.

MR. SCARDINO: Will you call me when you're ready for me? 4722.

[5] EXAMINATION

BY MR. PALECKI:

Q. Just to start off, we called this deposition to discuss a proposed work force reduction that the commission learned of from several newspaper articles, and I believe the first publication was that we – that we saw was a November 5th, 1992, Florida Power Corporation newsletter that stated that there would be – or were plans for a reduction of approximately 200 employees in the 1983 (sic) year.

I guess to start off, how was the decision made to cut the work force?

A. Okay. Let me go back, if I can, counselor, to early '91, but let me first correct a statement that has been made that's erroneous. The 200 number came about when I addressed a group of employees about a rumor, and I believe the wording I used was, I would like to put to bed a rumor, and the rumor was, Mr. Keesler, are we going to reduce forces by 200? And the answer is, No, we're not.

So 200 has never been – even though our own publications have reported it that way – has never been a number that I used or that anybody on [6] my staff ever used, other than what appeared in the paper and just what appeared in our own publications. The number, Mike, is 150; it's not 200. And that was what I later corrected to this – I mean, to this group of employees.

And now let me go back and tell you how I arrived at 150. In early 1991, we undertook probably the first formal strategic planning process in our company's history. We had done a lot of tactical planning year to year, but never really a formal strategic plan that said what do we want to be when we grow up and where do we want to be in five years and ten years.

And it was a very intensive year to develop a strategic plan. And out of that came the realization that if the numbers were correct, the company was going to grow, I believe the number was 213 just to implement the strategic plan. Had nothing to do with regular growth or anything else, but just the strategic planning part was going to be 213.

The majority of that number was driven by the MACS case for conservation, and a brand new customer information system that would provide us with a much more state of the art capability of [7] dealing with customer contacts, competitive information and so forth. Those were the drivers of the big number, of this 213.

At the same time we discussed empowerment. And I was – had probably been guilty, as I would guess many CEOs are, of maintaining as much control at the top as I could. And prior to this time, any increases to employment base were approved by me. And I said, If we're going to walk our talk and we're going to empower people – I gave all the people that reported to me the right to handle increases in employee base. That's – it did not have to come to me to get final approval. That's part, we thought, of pushing down authority and responsibility to run their areas.

So as I looked at 1992, and I'm thinkir.g, We're going to add 213 people as we implement the strategic plan over a two- or three-year time period, and if we have natural growth on top of this, and all the unknowns – I knew we were having more conservation hearings, which we're presently undergoing today; I knew the environment was changing, the SO2, change of scope and growth – I said, I've got to do something to [8] hold down employees.

So I wrote a memo on May 22nd to all the participants of this – of our organizational design teams to – and that was formed, Counselor, to make sure we were organized the way we wanted to be organized as we went forward. We did not feel we were in a position prior to

this organizational development to – I mean, to maximize our successfulness going forward.

Q. And, for the record, that's the memo, the interoffice correspondence dated May 22nd, 1992, that your counsel has handed me this morning?

A. That is correct, sir.

Q. I also have a memo, an interoffice correspondence memo, dated September 21st, 1992.

I'd like to go ahead and enter these as deposition exhibits, the May 22nd memo being Exhibit 1, and the September 21st memo being Exhibit 2.

Now, when you've been talking thus far, you've used the word "I," what I thought and what I decided. Is this decision-making process one that you do independently, or is this something that you take to a board meeting or that you have [9] a staff working on with you?

A. Typically, Mike, it was one where I have staff working with me.

I had grown frustrated, which I do frequently, and so the memo of May 22nd was written totally by me without the help of any staff counsel, and it was written only with the premise that I was concerned about where we were growing, so I artificially went back to the first year we started strategic planning, which was in 1991, and said to my staff and the other people on the organization design team, that it was a goal, and I – please bring out the word "goal." It was a goal that we not increase staffing beyond where we started this strategic planning process in January 1991.

When this – when this memo hit the street, so to speak, my staff, to put it nicely, went into orbit, and they came back to me, and they said, Allen, this is just impossible. We cannot continue to give service, and we cannot continue to grow and do the strategic plan and not have any increases.

And I said, well, you know, you've convinced me, but I want to get my point across [10] that if we're not careful, we're going to grow much faster, much, much faster, than we think we're going to grow. And I think I used the analogy to them, if I give my wife money to go buy a dress, by the time the outfit's bought, there's a lot more money spent than we had originally talked about, and I feared that that was going to happen here.

So I artificially chose a plug number of 150. I said, I want to reduce the work force by 150 people while we are implementing strategic planning, while we're going through growth, while we're looking at increased conservation needs. All these things ran through my mind. And I said, If I don't manage growth of this company on one hand and push back, I'm going to grow faster than I want to grow. We have taken pride in the fact that we're the lowest O and M expense company in the state. We want to stay there. And to me, I have found over time that if you wait until you get someplace and then you strike back, it's too late. So I chose an artificial plug number of 150 employees and said, I want to reduce staff by 150 employees.

Now, that was to include outsourcing. [11] We made the decision six months ago not to hire anymore full-time janitors, as a for instance, but to go contractor for those

jobs as people retired. We are going to probably look at many other areas in the company and find out, does outsourcing in today's marketplace make sense rather than replacing full-time employees? Can we get maintenance work done by outsourcing rather than have a – rather than having our own maintenance department? Can we do payroll by outsourcing at a cheaper base than having our own payroll department? We don't know that, but we're going to look at that over the next year or so.

And it was just to push back, from my point of view, to push back on the organization that you've got an artificial barrier up here that the old man's setting to make sure we don't grow faster than we need to grow, and that was the whole premise of my 150.

Now, my senior staff then left that meeting and worked independent of me to try to come up with a plan to reach that goal, and I – you know –

Q. When you said they left that meeting, what was – when was this meeting? Was this after [12] you wrote the May 22nd memo?

A. Yes, sir. And I can't tell you – it was a staff meeting, and we have staff meetings every two weeks. It was just – as I remember it, it was part of a staff meeting, and the senior officers left that meeting, as I remember, and independent of me, worked together to try to come up with what could they do to reach this artificial goal that I had set for them.

Q. Were –

MR. NEISER: Do you mean artificial or arbitrary?

THE DEPONENT: Arbitrary. I'm sorry. Plug number, just a plug number.

BY MR. PALECKI:

Q. Were the managers at that meeting given goals for their – for their departments?

A. No, sir. I never set those. I only looked at the company as a whole. I set 150 people as I look at the entire company.

Q. Was the May 22nd memo discussed at that meeting?

A. Counselor, to some degree, I'm sure it was. I do not remember. I know that I had various calls after my May 22nd memo came out [13] saying that they thought my expectations were unrealistic, and I said, Well, then, let's talk about them.

Q. Now, when you say a staff meeting, what – are you talking about a meeting – or how many people attend a meeting like that?

A. My immediate staff. At the time this was done, six people.

Q. And who would they be?

A. They would have been Mr. Greene, Mr. Neiser, Mr. Phillips, Mr. Beard, Mr. Hancock, Mr. Miller. And that's assuming they were all in town.

Q. And what happened as a result of that meeting after you sent your staff out to – I guess you asked them to report back to you on where they could make –

A. Well, not – not really. They, independent of me, elected to set up what we call a pace team, and it was under the direction of Mr. Greene, to see what they could do to try to attain this goal.

And when – I guess you have to understand partially my management style. I – I believe in setting many times what might be [14] unachievable goals in my mind because I think if you don't stretch people, you never get what you can ultimately get if you do stretch people.

So I very definitely say this was a goal, and I always communicated it as a goal. Like making our forecast is a goal. You know, that's your best try, push as hard as you can, and, you know, let's see what happens.

But I guess the thing that drives me – that drove me then, Counselor, and drives me today, are all the unexpected things that are taking place in this industry that nobody knows what's going to happen, that you've got to respond to; and that if all we do is manage year to year based on the best guesses we have going into a year, it's my prediction we're going to be in deep trouble at the end of the year if we're not doing things ahead of time to try to – to try to out-guess what NRC may do, what's going to happen in the environment. I mean, these kinds of things are going on all the time. Totally out of our control, but we've got to respond to them.

Q. So what has happened since this meeting that – where you first told your staff to see where they could cut, where they could make [15] reductions?

A. Well, it was a goal that I had challenged to them. Until we got a phone call from – from your people, very,

very little took place, that I was aware of. I think, you know, each of the senior officers to some degree or another – and the only communication we can find was the second piece that you were given this morning was from Mr. Phillips, where he responded directly to the people in his area. I – to the best of my knowledge, that is the only piece of communication that's out there.

Q. And that's the September 21 interoffice correspondence?

A. Yes, sir, that is correct.

Q. And then I believe there was also a November 5th, it seemed like a company memo?

A. Yes, sir. Power Lines.

Q. And that goes to all the employees, doesn't it?

A. It goes to all the employees, it goes to PSC, it goes to the retirees, and it goes to a selected group of people in communities.

Q. And soon thereafter, around November 11th, was when the press – I believe we have [16] articles from the Tampa Tribune and several other newspapers – reported it?

A. Yes.

Q. Was there a press release issued, or how was the media informed?

A. I do not know. I think what happened – and, again, I can only surmise this – is that as people began pushing back in their own organization, somebody came to me with the rumor that they were going to reduce 200

people, and that's when I went public for the very first time. It wasn't to announce a layoff, wasn't to announce a reorganization, but it was to dispel a rumor that we were going to cut the work force by 200 people, and that's – that's when it all became public in early November.

Q. So you wanted to do something to quell any employee panic that might occur if there were rumors of layoffs?

A. Absolutely. And the other thing that we have been told through employee surveys is that we have not been – they – the employees perceive that management has not communicated as quickly and as up front with them as they would like them to. So one of the things we are trying to do is to openly [17] communicate with the employees as soon as we know what we're going to do to let them know.

Q. Now, this meeting of your staff that you're discussing, I asked you when it was, and you – I think you answered you weren't sure. Can you tell me what month it was? I mean, are we talking soon after your May 22nd memo, or are we talking during the rate case or after the rate case? Can you give me some time – type of time?

A. Mike, if I were to give it to you here today, I would guess. I can probably go back and find out from Mr. Greene when he set up the task force and can then probably zero in within a few days of, you know, when that staff meeting was held.

Q. If you could give –

A. I mean, that's the best I can do, to be honest.

Q. If you could just give me that as a late filed exhibit.

A. Okay.

Q. Either the date of the meeting concerning work force reduction or the date when the task force was initiated.

A. Okay.

[18] Q. Whichever you are able to obtain. And if you can give both dates, that would be helpful.

A. And, again, let me clarify one statement. When we're talking about work force reduction, again, understand that the reason we have – we today have no plan, have no planned work force reduction. What we have is a goal to push back against what we believe to be growth that will be much greater than we have predicted. I do not think we can live within the 1993 numbers knowing things I know today.

Let me, if I might – Roger, I'm going to the board, and I'm just going to give you a couple of numbers.

MR. HOWE: All right.

THE DEPONENT: As of, I believe, December 13th, we had 5,851 active employees. That's how many were paid on that payday. We know we're going to pick up Sebring of 46 employees, and these are the unknowns that I talk about that I can't manage too. It now puts us at a number of 5,997 – I'm sorry – 5,897 that we have on the first day of January, and we haven't done any growth, we haven't got anything to man the [19] strategic plan that's here. We don't have anything for the new intercession

city peakers, we don't have anything for the Gainesville peakers. I mean, this is just as of January 4th, including Sebring. We've got 5,897, and I believe the number given in the rate case on a five-year average growth was 63 employees per year.

Now, I – you know, that's a five-year growth period, but if I just factor that number in alone, and factor in nothing else, I've exceeded the number of employees that the commission authorized in the rate case testimony in Tallahassee in 1992, and that doesn't account for the fact that we've got 38 people yet to fill in the conservation areas. You're presently undergoing conservation hearings, and I have no idea how many additional people are going to fall out of that.

As I said earlier, it doesn't count the new intercession peakers, it doesn't count Gainesville; it doesn't count what we may do with the gas pipeline in 1993, and that's why I say that if I don't use plug numbers as goals to push back, I'm going to grow so much faster than I plan on growing that I'm going to have a much more [20] difficult management problem.

Q. Do you think that the goal of reduction of 150 employees in the year 1993 is a realistic goal, one that you can meet?

A. Mike, it's as realistic as every NFL football team on the first day of the season wants to be 16 and 0. I mean, it's a goal. If we did it, it would be extraordinary. I hate to say I don't think it's possible. I guess my frustration is if I could control everything that happened to me externally and I knew what that was going to be today, then I would feel much better about achieving that goal,

but I don't know what's going to happen to me externally. I – you know, I just – I worry about the environment. I worry about added employees out of conservation, because I truly believe we're going to have different conservation goals.

I mean – and that's – you know, I think these things are part of doing business in the nineties.

But if I could control, if I could isolate all the externalities that I think are going to impact me, then I probably wouldn't have set 150; I probably would have set a much smaller [21] goal.

Q. Now, this goal is to reduce the work force by attrition and not lay off or fire people?

A. That is correct, sir.

Q. Have you done a study as to what the natural attrition will be in 1993 to determine whether the goal of 150 employees is one that can be met through attrition?

A. Well, let me explain to you what I mean by attrition. We have about 100 employees a year retire. In 1992, we had more than that because of a medical plan benefit that was going to expire at the end of '92, but typically we average about 100 employees a year.

Mike, I don't know how many posting opportunities we have in the union, exempt in nonunion, but I would guess several hundred during a year, if – you know, just if you looked at every time a job was posted, because you've been promoted to lineman, your lineman apprentice job is open. So I see those as potential opportunities not to fill the lineman apprentice job, and those number two or three hundred, I'm going to guess. I don't know.

You know, we have a number of employees that leave for other reasons [22] throughout the year.

So, yes, I think if – I know, if you had no external factors and you could control everything that happened to you, if you really wanted to get tough, you could probably find 150 through natural opportunities that take place in a year.

Q. Was the goal to reduce employees voted on by anybody? Was there –

A. No, sir. We don't vote here.

Q. Was this ever addressed by the parent corporation, Florida Progress?

A. No, sir.

Q. So I just want to make sure I'm clear on how this decision was made. It was your memo of May 22nd, which was an independent memo that you did yourself that was not a staff memo or a team decision but just your personal decision.

After that, you had a meeting. You created a task force, and –

A. They really created themselves, Mike. I did not create the task force. It was their suggestion that they go off and see what they could do.

Q. And what has the task force done since

[23] then?

A. I have had very little impact with them. Perhaps Mr. Neiser could answer that better than I could, but I have never met with the task force.

Q. Well, Mr. Scardino is the next witness. Is he on the task force?

A. No, sir. Only senior officers were on the task force.

Q. So he wouldn't know what the task force –

A. No, sir. I believe in the – I believe in the memo that Mr. – that Mr. Neiser gave you earlier, there's a handwritten sheet that I have not seen, from Mr. Phillips, that is part of the work of the task force.

Q. That is the second sheet of Exhibit Number 2, the September 21st memo?

A. Yes, sir.

Q. And this outlines the number of employees throughout the company?

A. Yes, sir. And what they said to me was, Allen, you can have it one or two ways, but you can't have it both ways, and I – I believe, as I recollect the conversation, they took the '91 [24] numbers and added to it the strategic plan in one or two other areas, and came up with a new number, and it was from that artificial number that I said 150, because I feel that's the impact of externalities, if I can use that word, in today's market.

I mean, I knew at that time we were negotiating with Sebring. you know, that's 50. We are negotiating, have

been for two years, with – I mean, with another electric utility in the state of Florida that we could possibly close in the next year or so. All of these numbers, you know, aren't in any rate case, Mike, or any other – these are things I know.

Q. Is that the Fort Meade utility?

A. No, sir, that is not the Fort Meade, and I am really not at liberty, simply because it is such a critical, confidential negotiation, but it is not Fort Meade. That is a wholesale customer.

Q. I won't ask anything further about that.

Could you explain what this authorized position sheet –

A. If you give me a chance to look at it.

Q. Sure.

[25] A. Because I've never seen it.

Line 1 shows the base broken down by the six reporting areas, which are the six people that report to me, effective January 1, 1991, was, and that number is 5,754.

Q. Is that the number that you wish to get down to?

A. Well, that was the number that I had, as my staff said, unrealistically wished to get down to in my direct memo to them.

They added back to that the impact of the strategic plan, which was 213 positions, and they added two other areas, which I really don't know what they have in mind. They added change in scope of 15 jobs and departmental

transfers of 8 jobs. And I can't explain that to you, but the new base became 5,990. That included no growth or anything else. That was just the new base, taking the '91 employees and adding to it primarily the strategic plan. And that number was 5,990.

Q. All right. And what's the next line on that?

A. The next line is reduced two and a half percent. Now, that's their number, because I never used two-and-a-half percent, I just used 150 [26] as a plug number. They must have backed into that.

Q. Does that work out to two-and-a-half percent?

A. Practically. Two and a half percent of 6,000 would be 150.

Q. Uh-huh.

A. And then I don't know how they broke it down departmentally, unless they just took direct ratios of department sizes to the overall organization and broke it down. I have no idea how they arrived at those numbers.

Q. And what is – what are the next lines on the sheet?

A. The goal for 1/1/95, if you assume a two-and-a-half percent reduction, and then they show another reduction in '94 of 86, and I have no idea where they got that number.

Q. So that's an additional 86 in addition to the 150?

A. Yes, sir. And I think that was to get back – I think what they were trying to do was show me how unrealistic it was to get back to the 1991 number.

Q. In other words –

[27] A. But I can't – I can't honestly answer that for you.

Q. To get back to the 1991 number, it would require a reduction of 150 employees –

A. Plus 86.

Q. – plus 86 the next year?

A. That is correct.

MR. NEISER: And no growth.

BY MR. PALECKI:

Q. And no growth.

A. And no strategic plan.

Q. I thought the strategic plan was added on.

A. It is, sir, in that number right there, and that was a number we ultimately decided was the new base. But to get back to this number, you had to go 150 plus an additional 86.

And, Mike, if I could do that, I would love to achieve that. I mean, I – I have nothing against trying to achieve that. My frustration is all the things that are going to happen to me as we sit here today that I don't even know. What is the impact of the conservation hearings going to do to my employment base sometime this year? I don't know that, but I – but my guess is it's [28] going to change.

And what's going to happen with some new rule promulgated at NRC? And I know we're building new

peakers at Intercession City, I know we're building a peaker at University of Florida. I know we've got built in two, two-and-a-half, three percent customer growth. I mean, all of that is being ignored here, and still, you know, all I'm trying to say is I'm fighting back on the left hand so the organization on the right hand doesn't move faster than I want to see it move.

And I think when you look at the actual numbers that we're living with today, you can see – I mean, you can see the impact.

Q. Would it be fair to say that it is still your goal to achieve the January 1, 1991, base work level, level of a work force but that you believe 150 employee reduction is a more reasonable goal?

Q. I guess it would be fair to say, Mike, that I would like to achieve the maximum number of efficiencies I can achieve, whether the number is 300 or 400 or 68. I do not believe, after my staff came back to me and just did those numbers, that my original, totally prepared by me goal was [29] fair, not if I want to continue to provide decent service.

Q. And that was the original goal, to go back to the January 1, 1991 –

A. Yes, sir.

Q. – work force?

A. Yes, sir.

Q. Do you believe that the 150 goal is more fair?

A. Yes, sir. Anything short of that number would have been more fair. Now, again, do I – do I think we will

reach it? I don't know, but it's 150 off of a different base. And we already know that we've got a third of that gone with Sebring.

I mean, you know, just what we know today, we've got roughly 50 new jobs that we did not have during any of this that we already are going to have to accept when the Sebring closing takes place. And that, to me, exemplifies the outside forces that are working that I can't manage too. And that's why I'm going to continue every year to push back in some way to make sure that we don't grow faster than I want to see us grow.

Q. Would it be fair to say that certainly [30] the commission in setting rates should consider your actual goals and plans, and, for example, you've stated that you expect additional employees due to the strategic plan, additional employees because of the intersection – intercession peakers, the new Gainesville plan, and certainly those are figures the commission should consider, along with any planned reduction as well.

A. Yes, sir. As long as you understand that in my style of management, a plan reduction, to me, is when I go out and set forth a plan that says, we're going to – you know, we're going to get rid of two attorneys and fourteen accountants. That hasn't been done. This is not a planned reduction. This is a goal to try to fight off faster growth than if I wasn't pushing back, I believe, that otherwise would take place.

Q. Is it fair to say that that planning is still ongoing?

A. Yes, sir. Absolutely. Because I believe if it's not ongoing, Mike, and if we don't get some pushing back,

we're going to well exceed the number that was ultimately approved in the rate case.

Q. Do you have any time schedule? Is the [31] task force planning to get back with you with more detailed numbers as far as –

A. No, sir.

Q. – where the cuts will be made?

A. No, sir.

Q. When do you anticipate that that will – when you'll reach that level of planning?

A. I don't know. I mean, I don't know – we've just gone through a major restructuring that came out of the organizational design force. Several of the original people don't even have the same responsibilities they had as we enter the new year.

Q. Is this work force reduction related to or part of that restructuring?

A. Let's see. It wasn't work force – no. Well – no. It was very, very isolated. But what I said to the task force that was looking at organizational design, again, as pushing back to them, I don't want to design this organization that we're going to grow with more people. And that's why it was in that memo that I challenged them with my original challenge.

But we now are totally differently organized than we were prior to today. The new [32] organization takes effect today. Mr. Greene no longer has financial services. Mr. Neiser has only legal services. Mr. Miller no longer has the administration section.

We have totally reorganized being driven by a GENCO, TRANSCO, DISCO expectation down the road someplace, and we now have a transmission and substation area reporting directly to me that we never had prior to today because we think that's where the industry importance is going to take place. And with open wheeling on the transmission system, we think it has a very significant impact on where this company is going to go in the future.

So that's what the organizational design looked at, Mike, and that was, How can we reorganize to be successful, effective, and a survivor as we go forward? It had nothing to do with any kind of a work force reduction. But we have a very different-looking organization today than we did when we had the rate case.

And I will tell you I believe out of that will be a few new positions.

Q. Now, it's my understanding that the 1993 test year in the rate case included 5,950 [33] employees.

A. I have no idea. I never use – I had – until John Scardino told me what was in the rate case one day last week, I had no idea of any number in the rate case. I was not trying to design to a rate case number. I was only trying to put up a road block to what I saw taking place with the employee base, but I had no idea what a rate case number was, and I have to [sic] idea if that's the right number you've just given me.

Q. Getting back to the Exhibit Number 2, the handwritten sheet attached to it, which is entitled, "Authorized Positions," was this done or included on the

September 21st date? I notice they're attached, and I guess what I'm trying to get at is, were they done together, or is the attached sheet, was that issued at some other time?

A. Let me tell you what I think. And, again, I didn't get a copy of this memo, nor did I get a carbon copy, but that appears to me to be Mr. Greene's handwriting that took place when they had a task force meeting, and all Mr. Phillips did was send this information out as part of the task force.

[34] So I would assume that they did not take place on identically the same day, sir. I think this was a – this was what came out of the senior task force, and I think Mr. Phillips just sent this to his direct reports. So I do not believe it happened the same day, but I was not there, and I don't know.

Q. Did the issuance of the rate case order have any bearing on the November 5th, 1992, release of information on employee reduction?

A. None whatsoever. I mean, again, as I said, the only reason that had any impact was because I addressed a group of employees to try to dispel a rumor.

Q. How did that come to your attention?

A. I had – I had, as I do visit various employee groups from time to time, and I frequently will make a few comments and then open the floor up to questions, and as I best remember in that preceding three or four days, I had heard several people in several of these employee groups – anytime we have a training session for anything, I try to attend the training session just to

say hello. So I do this quite frequently, and I had picked this rumor up a couple or three [35] times, and I went downstairs and said, you know, this is – we've got to do something to stop this rumor; it's not true, and that's how it came to my attention.

Q. What will happen from here on out with regard to the goal of 150, reduction of 150 employees?

A. I will probably now go back to a brand new staff, Mike, of which I now have nine direct reports instead of six, and reissue the challenge and try to get a different buy-in because we have different structure than we had then.

I certainly feel nothing has changed, that the external pressures of the outside are going to cause me to add people to accomplish things that I had not planned on and probably not even thought of earlier last year, and what I'm going to try to do is manage the very best I can not to exceed a 5,990 number, and I do that on a monthly basis.

Q. And that is something that as president you're authorized to do on your own without a vote or approval from any board?

A. Yes, sir.

Q. Since the meeting where you had the six

* * *

[Interoffice Correspondence of May 22, 1992, attached as Exhibit A Is Reproduced *supra* at pages 109 to 111.]

EXHIBIT C

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for a rate increase by Florida Power Corporation.	:	DOCKET NO. 910890-EI

DEPOSITION OF:	John A. Hancock
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
PLACE:	Florida Power Corporation 3201 34th Street South St. Petersburg, Florida
TIME:	Commenced at 1:25 p.m. Concluded at 2:55 p.m.
DATE:	Monday, February 15, 1993
REPORTED BY:	Brian L. Boles, RPR Shorthand Reporter Notary Public State of Florida at Large

[2] APPEARANCES:

MICHAEL A. PALECKI, Staff Counsel, Florida Public Service Commission, 101 East Gaines Street, Fletcher Building, Room 226, Tallahassee, Florida 32399-0863, Telephone No. (904) 487-2740, appearing on behalf of Florida Public Service Commission.

JAMES A. MCGEE, Senior Counsel, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, Telephone No. (813) 866-5184, appearing on behalf of Florida Power Corporation.

RICHARD W. NEISER, Senior Vice President, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, Telephone No. (813) 866-5184, appearing on behalf of Florida Power Corporation.

ALSO PRESENT:

JOHN SCARDINO, JR.

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EXHIBITS

Number:		Identified
1	Interoffice Correspondence dated 7/31/92	20
2	Interoffice Correspondence dated 8/12/92	20
3	Interoffice Correspondence dated 11/20/92	20

[4] JOHN A. HANCOCK

appeared as a witness and, after being duly sworn by the court reporter, testified as follows:

EXAMINATION

BY MR. PALECKI:

Q. Could you state your name and business address, please.

A. John A. Hancock. Business address, Florida Power Corporation, 3201 34th Street South in St. Petersburg.

Q. And what is your position with Florida Power Corporation?

A. Senior vice president, energy supply.

Q. And what are your duties and responsibilities?

A. The operation, maintenance, engineering, of all of our existing fossil plants, as well as construction of all new power generating facilities.

Q. Have your duties and responsibilities changed since the reorganization?

A. Quite significantly.

Q. And what has that change been?

A. The new responsibility is the construction of all future power generating [5] facilities. The omission from what I had before was the research and development function for the corporation, telecommunications, system protection and control, and energy dispatch.

Q. The reason we want to depose you today is that we wanted to ask you some questions about a goal to reduce the work force. I believe that was first made known to others on May 22nd, 1992, by Allen Keesler in a memo that was sent out. I wonder if you're familiar with that memo.

A. Yes, I am.

Q. Did you receive that memo in May?

A. Certainly.

Q. And what did you do in response? Did you take any action as a result of that?

A. Action in the context of beginning to formulate my thought processes about what should be done going forward.

Q. Did you speak to anybody?

A. Yes.

Q. Who?

A. Other senior officers; on several occasions to folks that reported directly to me.

Q. And what were – without reciting in entire words, what was generally the subject of [6] the conversation?

A. In the case of the senior staff, dialogue having to do with feasibility, how we might approach risks involved conceptually in terms of performing the entire corporation effort were we to go forward with that.

In the case of my direct reports, some were more pointed, as you might expect, that I shared with them my

portion of that challenge – our portion of that challenge conceptually and asked them to begin thinking about, you know, how we might go about that sort of thing.

Q. Were you on the PACE team that was responsible for discussing and working out this work force reduction plan or goal?

A. Yes.

Q. And when did the PACE team meet?

A. It was in late summer, early fall, September-ish, I think. I can't speak to you about specific dates.

Q. Could you give me just a brief history of the PACE team, how it came to be and what – what its functions were?

A. Mike, we – the strategic planning process that has been spoken to in earlier [7] depositions and earlier testimony and things saw us to look at a focus of where we were going as a company down the way. Allen's letter, of course, spoke to the desire to try our very best to compensate for that sort of strategic growth to hold the line on permanent manpower.

To answer the question specifically, the PACE team, I think, was a mutual effort to try to assess how we might go about something like that; in addition to that, to pool together our thoughts about challenges, difficulties, including difference of opinion with our boss, or whatever. And so that was a mutual effort to try to find the best way to go after the long-term objective here.

Q. When was the PACE team first put together?

A. I can't quote dates. I think it was, there again, in that late summer, September type of situation.

Q. Is the team still in existence today?

A. It was an informal type of get together. As that PACE team, we have not sat in session, if you will, in some considerable period of time.

Q. Do you expect to? Do you consider [8] yourself in –

A. Mike, lots of things have changed, including Mr. Neiser speaking to my very significant changes of responsibility. Our whole reorganization of this company, the – the process improvement activities that we're going through, which is referred to as our OD phase two, which we know a whole lot more about now than we did in the September, fall time frame, those are the things that we are giving our attention to.

I'm trying to get a new area of the responsibility in the company in the most efficient way that I possibly can.

Q. Now, I – phase two, is that part of the BPI program?

A. Business Process Improvement?

Q. Business Process Improvement.

A. I think so.

Q. But you used the different three letters. What did you call it?

A. OD phase two?

Q. What is OD?

A. Organizational design.

Q. Design.

A. Same words. Those were the original [9] words in our strategic plan. I apologize for the different buzz word.

Q. Well, tell me about – just briefly about phase two and how – how was it put together? Was this part of the planning process that you used an outside consultant to work up? Let's see. It was the Ernst & Young Company, or is this not related to the Ernst & Young staff?

A. Ernst & Young was involved in the Business Process Improvement exercise, including, of course, the early organizational design that led to the president's reorganization of the company.

Ernst & Young were evaluated, along with a number of other outside firms that might be able to bring insights in approach and those types of things to helping us to become more efficient, more competitive in today's world, if you would, and they began with us fairly early on in 1992, but, again, focused primarily on looking at the organization as a whole about where we best aligned from the standpoint of the president's strategic business units, if you will.

And we spent much of 1992 in pursuit of that activity, and, of course, that was culminated [10] in December of 1992 when the president announced new organization, which was made effective on the 1st of January.

That same effort began to formulate, and as a result of the process that they used in helping us to see how the

company should be better organized, the matter of looking at efficiencies and process improvements in the organizational units and major functions in the corporation, that has been a learning curve for all of us because it was a process that that consultant brought in by way of their experience from the outside.

I would tell you that as we got past the president's reorganization, particularly in the January time frame up until now, we have learned a very great deal more about the Business Process Improvement and the very pointed systematic effort it will incur over a number of years to help us to examine places in the corporation where we can become more efficient. So it's been an evolutionary process.

Q. The reason I ask is you're either the second or third witness today who said we're just – we know a lot more about phase two now than we did back then, and we're still learning about [11] phase two.

I guess what I'm trying to get at is when you talk about phase two, is this part of a program that Ernst & Young has put in effect? Is this part of a program that the company has developed on their own? Has it been a team program? I guess what I really want to get at is why didn't anyone know about phase two back in November? Why do you just know about it now?

A. Mike, I think that it's – I don't think, you know, that –

Q. Who developed phase two? Who invented it?

A. The strategic planning effort that we incurred that we did an update on early last year, about a year ago,

identified that we needed to go through first a look, as the president had, with major pieces of the corporation together properly, and once that's done, the fine structure that goes under that, and we identified conceptually those things being phase one and phase two. And so those were integral parts to our strategic plan.

The thing that makes it evolutionary, that tends to be evolving to all of us is that the total quality movement in the world is a rapidly [12] evolving thing, about the Baldridge award and those kinds of things, and so we thought that we had better get some outside folks in here to help us to be apprized of the best techniques that were available about making our company more efficient, and so that's why we got Ernst & Young.

And they helped us to – with the approach, they helped us in the evolution of this activity, but they brought some perspectives to this company in the way of their international efforts that we did not have.

And my – my opinion about – I think we all understood clearly phase one; we needed to get the president's direct report pieces together. That one was more or less blocking the way. But the phase two thing was a bit less clear, and it has been through getting past major organizational changes and really being able to more clearly focus on that area has begun to emerge that process and the very systematic approach that they would work with us to go through.

So I think it's a matter of a learning curve for a management team that wants to outreach to new techniques, candidly.

Q. Now, you're familiar with this Power [13] Lines publication which came out in November where Mr. Keesler announced that there wasn't any layoffs, but that there was still a goal to reduce the work force by 200. Certainly your CEO would have had knowledge of phase two in November of 1992.

A. Probably no more to the extent that any of the rest of us had in terms of the emerging perspective that Ernst & Young would bring to us really in the early part of this year.

Q. So phase two was to some great extent partly the – or it was Ernst & Young that brought that idea to the company?

A. Some new perspective about how to get that job done.

Q. Now, tell me about the discussions that you had when you were in the PACE team. What was discussed at the various meetings that you had?

A. Impact on employees' morale, degree of risk to our productivity and the performance of our core business, consideration of better identifying employees who were not fully carrying their weight; I think emphasis on the point of are there things that we are doing that perhaps in today's climate don't bring value added, and how [14] might we deal with those. Conceptual things about how a manager might go about retaining the high level of performance that represents our standard here but be able to perhaps go after that sort of thing with lesser or greater a head count.

I might add too that head count in terms of regular employees does not always imply no employee of any kind as the substitute. It can be a contractor or whatever the case may be.

So we talked about concepts, approaches, feasibility, those kinds of things in terms of testing out with each other how we might go about making this longer-term achievement.

Q. Now, you've seen the September 21st memo from Mr. Phillips with the attached breakdown –

A. Certainly.

Q. – of the – of the various areas where the breakdown was allocated.

A. Yes.

Q. In this letter, it was – he was quite specific, and he said, attached for your information is a breakdown of the position reduction targets by functional area. As you can see, these are proportioned across all areas, and these numbers are the results of an agreement [15] among the senior officers for all areas to bear a part in absorbing the strategic plan position increases. He indicated reductions are to be accomplished by January 1, 1994. Are to be accomplished.

At that time in September when you were discussing these, these were fairly firm at that time; were they not?

A. Yes, in the context of we had agreed in concept as a senior management team, the matrix there, that I had my portion to work on, and others did their portions to

work on. Conceptual from the standpoint of what we wanted to go after.

The key piece of that, though, is the substantive hum [sic] work that would have to go on in looking at the real people and the real functions and all of that sort of thing to really begin to make happen those kinds of reductions.

The major difference with a – with senior staff making some conceptual agreement in principle, a pardoning agreement, this is what we want to try to go do together, but I think a qualifier that says when we get down to the substance of this sort of thing, we have to look [16] at our role and our mission, the achievability of it.

And one thing is important to know, Mike, that a senior executive, A, has to be in position to say, I'm going to work on those kinds of things, but, at the same time, we always have the obligation and our duty to our employees and our president and others to be able – if we get to the point where things look difficult, impossible, imprudent, or whatever the case may be, to go back and to challenge a given situation like this.

So, commitment, yes. Pathway irreversible, absolutely not.

Q. As far as the commitment and the actual numerical goals that are stated here, did you feel pressure because of that as far as –

A. Pressure is the wrong word. No.

Q. What would the right word be?

A. Obligation, partnership, wanting to do my part, wanting to do the right thing.

Q. Are these numbers still a reality today?

A. (Shakes head.)

Q. And what has happened –

MR. NEISER: Answer the question, John.

[17] THE DEPONENT: No. I'm sorry. I apologize.

BY MR. PALECKI:

Q. What has happened since September 21st, 1992, that has – that has changed that? Has there been specific meetings, has there been a report where this has been withdrawn? What has happened to – to cause the change?

A. Very specifically, very much increased emphasis in time spent supporting the president's efforts to deal with phase one, which was the reorganization of the company. Senior staff increasingly involved in that activity until he made his decision in early December, a major effort that took away from specific consideration of that. That's piece one.

Q. And when you say when he made his decision in early December, what are you referring to?

A. The announcement of the reorganization of the corporation –

Q. Okay.

A. – at that point in time, which put me, as I have described previously, with major changes in responsibility for which I felt significant [18] obligation to focus on almost singularly.

In addition to that, the next significant thing was once that decision having been made early January, in particular, where I had assigned people and others had assigned people into the Business Process Improvement activities, I think at that point in time, the real emergence of the significance and substance and approach of that process, the – those two events in terms of my piece of a spreadsheet for an entirely different organization became background material; that in light of these new developments was a continuing and ongoing mandate for efficiency and looking for ways to make our business more efficient, but certainly diverted from a specific number, because we've got all these other things to sift through this year that have happened, and with the evolution of these new approaches.

Q. In the notice of deposition for today, there were several – or kind of a laundry list of documents, that we asked you to bring virtually anything you've been involved in concerning work force reduction. Did you bring any documents with you today?

A. These.

* * *

EXHIBIT 2

[LOGO] Florida
Power
Corporation

INTEROFFICE CORRESPONDENCE

Financial Services	A8C	231-4200
Office	MAC	Telephone

SUBJECT: Position Vacancies

TO: K. E. McDonald
J. Scardino, Jr.
S. Watsey
R. C. Conner, Jr.
J. T. Pollard
K. H. Wieland

DATE: August 12, 1992

In Allen Keesler's letter of May 22, 1992, to Organizational Design participants, he outlines his goal that "the Company have the same number of employees by January 1994 as it had in January 1991."

To assist us in accomplishing this goal, we will take the following action.

1. It is my intention to approve no net new positions in Financial Services between now and January 1994, except for positions in Information Services directly involved with projects identified on the Strategic Plan. Any net gains due to position transfers from outside Financial Services must be made up with a position abolishment in the area the position came from.

   If we have a non-strategic need that is so significant that it requires adding a net new position, we will abolish an approved position elsewhere in Financial Services.

2. To ensure that we fill vacancies only where necessary, I am asking that each of you personally review and approve the filling of such positions before they are publicized internally on the Position Opportunities Bulletin.

3. If you identify any opportunities to achieve organizational improvements through abolishing positions, broadening spans of control, reducing levels, or eliminating work, we should discuss these for immediate implementation rather than waiting until the conclusion of the Organizational Design process.

GEG/tpf

cc: A. J. Keesler, Jr.
M. H. Phillips
P. M. Beard, Jr.
J. A. Hancock
D. L. Miller
R. W. Neiser

EXHIBIT D

INTEROFFICE CORRESPONDENCE

Construction/Operations (Office) | A8B (MAC) | _____ (Telephone)

[LOGO] **Florida Power CORPORATION**

SUBJECT: Manpower Reduction

TO: W.L. Barron, Jr.
J.B. Case
P. Dagostino
P.C. Henry
W.J. Howell

DATE: September 21, 1992

Attached for your information is a breakdown of the position reduction targets by functional area. As you can see, these are proportioned across all areas. These numbers are the result of an agreement among the Senior officers for all areas to bear a part in absorbing the strategic plan position increases. The indicated reductions are to be accomplished by 01/01/94.

In addition, a second set of reductions are geared toward the organizational design process and are to be accomplished by 01/01/95. At this time the target number is 86 overall with no departmental allocation. Taken together, both of the above will meet a revised objective of returning to the 01/01/91 position level by 01/01/95. Of course, what is not provided for in the above is the fact that we will also have to absorb additional positions related to normal growth in activity levels during this time period.

Each of you should continue to work to reduce your own authorized position complement utilizing the tools we discussed at our staff meeting. I plan to discuss individual objectives with you soon.

/s/ Maurice H. Phillips
Maurice H. Phillips

dh

Attachment

[Illegible] AUTHORIZED [ILLEGIBLE]

	EXEC	LEGAL FIN GOVT SFRN		NVC CONST/ OPERATIONS		ADM SFRN	POWER OPER	TOTAL
BASE 1/1/91	2	90	604	839	2784	322	1113	5754
DEPT. TRANSFERS	–	(17)	15	(1)	–	15	(4)	8
CHANGES IN SUPE	–	–	5	–	–	–	10	15
STRATEGIC PLAN	–	6	69	–	138	–	–	213
NEW BASE	2	79	693	838	2922	337	1119	5990
REDUCE 2.5%	–	(2)	(17)	(21)	(73)	(9)	(28)	(150)
01 GOAL 1/1/94	2	77	676	817	2849	328	1091	5840
BALANCE 02 1994 TO BE DETERMINED BY 01 AD PROCESS								(86)
GOAL 1/1/95								5754

EXHIBIT E

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for a rate increase by Florida Power Corporation.	:	DOCKET NO. 910890-EI

DEPOSITION OF: Maurice H. Phillips

TAKEN AT THE INSTANCE OF: The Staff of the Florida Public Service Commission

PLACE: Florida Power Corporation 3201 34th Street South St. Petersburg, Florida

TIME: Commenced at 11:40 a.m.
Concluded at 12:35 p.m.

DATE: Monday, February 15, 1993

REPORTED BY: Brian L. Boles, RPR
Shorthand Reporter
Notary Public
State of Florida at Large

[2] APPEARANCES:

MICHAEL A. PALECKI, Staff Counsel, Florida Public Service Commission, 101 East Gaines Street, Fletcher Building, Room 226, Tallahassee, Florida 32399-0863, Telephone No. (904) 487-2740, appearing on behalf of Florida Public Service Commission.

JAMES A. MCGEE, Senior Counsel, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, Telephone No. (813) 866-5184, appearing on behalf of Florida Power Corporation.

RICHARD W. NEISER, Senior Vice President, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, Telephone No. (813) 866-5184, appearing on behalf of Florida Power Corporation.

ALSO PRESENT:

JOHN SCARDINO, JR.

[3] INDEX

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CERTIFICATE OF REPORTER	44
WITNESS:	
MAURICE H. PHILLIPS	
Examination by Mr. Palecki	4
Examination by Mr. Neiser	34
Examination by Mr. Palecki	40

EXHIBITS

Number:	Identified
(None)	

[4] MAURICE H. PHILLIPS

appeared as a witness and, after being duly sworn by the court reporter, testified as follows:

EXAMINATION

BY MR. PALECKI:

Q. Could you please state your name and business address.

A. Maurice H. Phillips, Florida Power Corporation, 3401 34th Street South, St. Petersburg, Florida.

Q. And what is your position with Florida Power Corporation?

A. I'm executive vice president of the company.

Q. And what are your duties and responsibilities?

A. My duties as executive vice president include our field divisions, our energy conservation programs, marketing, and support services for those.

Q. Have your duties or responsibilities changed since the recent reorganization or restructuring?

A. Yes, they have.

Q. In what way?

[5] A. Prior to the reorganization, I had my current duties, as I just outlined. In addition, I had responsibility for generation, transmission substation construction and system planning.

Q. And who handles those areas now?

A. The generation construction area is under John Hancock, senior vice president. The transmission substation construction and system planning area is under Phil Henry, senior vice president.

Q. The reason we wanted to depose you today is to ask you some questions about a goal to reduce the work force that apparently was first mentioned in a May 22nd, 1992, memorandum that was signed by Allen Keesler.

I hand you a copy of that memorandum and ask you if you're familiar with that.

A. Yes, I have read this memorandum.

Q. And did you receive that back in May of 1992?

A. Yes, I did.

Q. And in response to that memorandum, did you take any action or do anything?

A. I followed up the receipt of this memorandum with discussions with my own staff and [6] discussions with my fellow senior officers, yes.

Q. And were these informal discussions, or were they actually meetings that you called?

A. No, they were informal discussions that were held with my – with my staff. I have a number of direct reports, and discussions with them usually take place on an individual basis.

Q. And what were those discussions after you received the memo?

A. Well, discussions along the lines of our ongoing efforts to be a very efficient organization, to be conservative about our use of all resources, and manpower included, and discussions about how we might, you know, approach some objectives, goals, that were outlined in Mr. Keesler's memo.

Q. And who did you discuss this with?

A. Well, my direct reports at the time – and this, of course, goes back to last year prior to the reorganization – were Mr. Phil Henry, Mr. Wally Barron, Pete Dagostino, Janice Case, William Howell. Those were my direct reports at that time.

Q. And as a result of that memo, was there a task force or a, what was referred to as the [7] PACE team, established?

A. There was a senior – well, there is a senior officer PACE team. I would not relate that that was established directly as a result of this memo, but we have an ongoing PACE team of the senior officers, yes.

Q. Was it first formed after that memo took place, or was it something that was already in – already in effect and force?

A. It was already – something that was already in place, yes.

Q. After this memo came out, was the PACE team – was this one of the matters that was discussed by the PACE team?

A. Yes, it was.

Q. Did it become an area of focus for you?

A. For the PACE team, yes.

Q. Do you recall when the – after you received the memo, did you – apart from just conversations and discussions that you had with your reports – did you have a meeting or meetings regarding work force reduction?

A. On that subject?

Q. Yes.

A. No, I did not.

[8] Q. Did you when the PACE team got together?

A. Yes. Those were the only meetings that that topic was a discussion topic, yes.

Q. And when did the PACE team discuss this?

A. I don't recall specific dates. Our PACE team is ongoing. We address, you know, issues that come up at our level. So it was – it was several meetings ongoing. I don't recall the specific dates of those meetings.

Q. And what was discussed?

A. Well, we discussed the issue of how we might address the memo. You know, we viewed the memo as our president setting a tough objective or goal really in line with our continuing efforts over several years and certainly in the future of trying to be a very efficient organization.

So we talked about, you know, what were the tools that we might be able to utilize to – to respond. We talked about whether or not this memo even outlined something that was practical or possible to accomplish, and we had some very – I think some very frank discussions about that.

Q. Now, you sent a memo of your own on September 21st; is that correct?

A. That's correct.

[9] Q. And is this to the rest of the members? I notice this is to Barron, Case, Dagostino, Henry and Howell.

A. Yes. Those were my direct reports at the time.

Q. And this is a breakdown of the position reduction targets that you attached to this. Is that something that you actually worked up yourself? Is that your handwriting?

A. No, that is not my handwriting.

Q. Do you know who did actually do the workup?

A. I think the one who put that to paper is – was George Greene, yes, sir, senior vice president.

Q. And did that occur at one of the PACE team meetings that this was put together?

A. That was a culmination of several discussions. So, you know, it was not the work product of any one meeting, as I recall. We had been discussing the whole issue of how to address the memo, how to try to give our – our people in our various departments some direction in the ongoing efforts to be a very – you know, a very conservative organization.

* * *

EXHIBIT F

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for a rate increase by Florida Power Corporation.	DOCKET NO. 910890-EI

DEPOSITION OF: George E. Greene, III

TAKEN AT THE INSTANCE OF: The Staff of the Florida Public Service Commission

PLACE: Florida Power Commission
3201 34th Street South
St. Petersburg, Florida

TIME: Commenced at 3:35 p.m.
Concluded at 4:35 p.m.

DATE: Monday, February 15, 1993

REPORTED BY: Brian L. Boles, RPR
Shorthand Reporter
Notary Public
State of Florida at Large

[2] APPEARANCES

MICHAEL A. PALECKI, Staff Counsel, Florida Public Service Commission, 101 East Gaines Street, Fletcher Building, Room 226, Tallahassee, Florida 32399-0863, Telephone No. (904) 487-2740, appearing on behalf of Florida Public Service Commission.

JAMES A. MCGEE, Senior Counsel, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, Telephone No. (813) 866-5184, appearing on behalf of Florida Power Corporation.

RICHARD W. NEISER, Senior Vice President, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, Telephone No. (813) 866-5184, appearing on behalf of Florida Power Corporation.

ALSO PRESENT:

JOHN SCARDINO, JR.

[3] INDEX

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CERTIFICATE OF REPORTER	41
WITNESS:	
GEORGE E. GREENE, III	
Examination by Mr. Palecki	4
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EXHIBITS

Number:		Identified
1	Extrapolation from pocket calendar of George Greene	7
2	Position Complement dated 7/92	14
3	Authorized Positions Corporate Wide	15
4	Note to Seniors dated 10/22/92	17

5	Senior Management Complement Report	18
6	Interoffice Correspondence dated 7/31/92	20
7	Interoffice correspondence dated 7/29/92	21
8	FPC Employee Growth Statistics	24
9	Position Complement Report dated 1/91	25
10	Position Complement report dated 6/92	26
11	(Late filed) Date funds were transferred and amount of transfer	34

[4] GEORGE E. GREENE, III,

appeared as a witness and, after being duly sworn by the court reporter, testified as follows:

EXAMINATION

BY MR. PALECKI:

Q. Please state your name and your business address.

A. George, middle initial E, Greene, III. Business address, Florida Power Corporation, St. Petersburg, Florida.

Q. And what is your position?

A. Senior vice president, office of the president.

Q. And what are your duties and responsibilities?

A. I am responsible in that position for the company's strategic planning efforts and for our organizational design efforts.

Q. Are you familiar with a memo dated May 22nd, 1992, from Allen Keesler where the idea of a goal to reduce the work force was discussed?

A. I am.

Q. And were you subsequently part of the PACE team that discussed work force reduction between May and October of 1992?

[5] A. I was.

Q. Could you just briefly explain what the PACE team discussed and when they met?

A. I certainly can. May I refer to my notes?

Q. Yes.

A. There were – I served as PACE team leader. We had three meetings. The first meeting was August the 11th. At that time, the essence of the discussion, as I recall it, was a feeling that the goal set in the letter of May 22nd was not really a realistic goal, and was not interpreted by us as an order but merely an expression of Allen's concern about growth.

At the second meeting, which was held on September 1st, the seniors talked about what we thought might be an achievable goal, and we agreed to propose to Allen a goal of two percent reduction in positions, which would be 120 positions.

It happened that Allen actually came into that meeting – he was not a member of the PACE team, but he came to that meeting – and after some discussion, he revised that goal to two-and-a-half percent, or 150 positions as a goal [6] for possible position reduction in 1993, and until that time, the goal of 150 had not existed.

The – then at the third meeting, I handed out the work sheet that you have in front of you there, of which I have the original here, which attempted to reflect various changes in departments since 1/1/91, because that was the base Allen had used in his letter, and to show how those would provide a revised base on which – to which we would apply the two-and-a-half percent.

Q. I notice that you've brought numerous documents with you. We did ask in the notice of deposition that you bring any documents, notes, memos, et cetera, related to work force reduction. I wonder if we can just go through those, and if you could explain what they are and what they say.

A. Yes.

Q. If there are anything that you think is confidential or you would like to discuss with your attorney beforehand – earlier in the day we had things where specific names and job titles were mentioned, and we – if there's anything like that, you can just consult with your attorney, and we can go off the record for a while.

[7] A. Thank you. Would you like me to go through the file point by point?

Q. Yes.

A. All right.

Q. I think that would probably be best. I notice that the first thing was some notes as to when the meetings were, and basically it was a brief summary, I guess, as to what was discussed. Could we go ahead and introduce that as an exhibit.

A. You certainly may. It was simply an extrapolation from my pocket calendar of last year, and I was trying to put in context various occurrences: Allen's letter, the rate case hearings, and then the three PACE team meetings, and if you wish to introduce that, you may do so.

MR. PALECKI: We'd like to go ahead and have that marked as Deposition Exhibit 1, and we'll just put all of the Greene exhibits there that we want to have introduced in the deposition.

MR. MCGEE: Mike, I think one point that we ought to make sure that we're clear on is that I believe I understood Mr. Greene to say that that was not prepared at the time of the other [8] documents. It was prepared for the deposition.

MR. PALECKI: Yes, I understand.

THE DEPONENT: That's correct. I just did that last week for the deposition, to organize my own thoughts.

MR. PALECKI: But it would be nice to have something that sets it all out on one page.

MR. MCGEE: Right.

THE DEPONENT: As I mentioned, I was the PACE team leader of that PACE team, which had been

established several years before. And so what I have here is my desk file. In fact, it's labeled "Senior PACE." We used a flip chart, and in the process of making notes, I tore those off and saved them in the file.

So I've got general discussion from the first meeting where we were concerned about the goal established earlier, and indicated that we did not concur with it. We felt that – that achieving it would adversely impact the company and service to customers.

I have here a flip chart where we talked about possible goods and services that we might eliminate, things that we were saying, Well, could we just cut those out? None of that has come to

* * *

Daily News Clips Date 11-11-92
Provided by the Office
Public Information
(904) 488-0733

Publication – ST. PETERSBURG TIMES

Page Number E1

Florida Power to reduce ranks; no layoffs planned

By ALAN GOLDSTEIN
Times Staff Writer

ST. PETERSBURG – Florida Power Corp., aiming to trim costs as competition heats up the electricity generating industry, plans to reduce its work force by about 200 jobs by the end of next year.

"There are no layoffs on schedule," Florida Power spokesman Will Rodgers said Wednesday. "We're going to try to bring the level of the work force down by 200 positions by the end of 1993. We plan to do that through attrition."

Florida Power, the main subsidiary of St. Petersburg-based Florida Progress Corp., employs 5,700 people. The company serves 1.2-million customers in 32 counties in parts of Central and North Florida.

Rodgers said the company typically posts several hundred jobs a year.

He said executives have indicated it would not be difficult to reach the goal of 5,500 employees through attrition.

"All of this is in preliminary stages," Rodgers said. "If at the end of 1993 we're not at the goal, we would revisit whether we would get down to that number through layoffs. We don't plan on any and hope not to have any."

Allen J. Keesler Jr., the company's president and chief executive, is planning a general reorganization over the next six to twelve months to make the company stronger, Rodgers said.

"This is one of the things being looked at," Rodgers said.

Increasingly, utilities are being forced to act more nimbly as once-captive industrial customers abandon their conventional sources of power and find new ways to operate their plants.

• **MODEM BUILT FOR SPEED.** AT&T Paradyne in Largo announced Tuesday it has developed a modem that can operate at the world's fastest transmission speed – 28,800 bits per second. The new speed doubles the current standard of 14,400 bps. New products are expected to be available in the second half of 1993, according to a statement from the unit of American Telephone & Telegraph Co.

Publication – TAMPA TRIBUNE Date 11-11-92
Page Number [Illegible]-1

Utility to prune 200 jobs

By FRANK RUIZ
Tribune Staff Writer

ST. PETERSBURG – The state's second-largest electric utility, St. Petersburg-based Florida Power Corp., plans to cut 200 jobs, or 3.5 percent of its staff, as part of a realignment to reduce costs, officials confirmed Tuesday.

Fla. Power

Close	Chg.
31 3/8	-5/8

"We want to reach [the goal] by the end of 1993," said spokesman Will Rodgers.

The FPC realignment, viewed as a competitive action by analysts, will cut across the board and include hourly, salaried and some managerial jobs.

Details of Florida Power's plan are sketchy at the moment and no public announcement has been made. The company has not projected the expected savings the action would yield.

However, rumors of layoffs have been circulating among employees within the company's 320 county territory. Florida Power employs 5,718 people.

The company's president, Allen J. Keesler, Jr., issued an internal statement Monday to the staff briefly outlining the company's plan.

"It's a fact of life that ultimately someone might have to be displaced but our goal is to reshape the company without layoffs," Keesler wrote.

He added that if voluntary reductions through attrition and early retirements don't work, layoffs will be considered.

The planned reduction falls in line with what some other large utilities across the nation are doing to improve earnings in a mature industry with limited growth prospects.

"I think it's just an overall attempt to make sure the organization remains competitive," said Leonard Hyman of Merrill Lynch Global Securities Inc. in New York.

Some large utilities such as Florida Power have been examining methods to keep commercial rates down in light of growing competition from independent and municipal power companies and pressure from government regulators.

"It's not unthinkable that in the near future a large [customer] might buy its electricity elsewhere or even generate it itself," Hyman said.

Nathan Partain, a Duff & Phelps analyst agrees that utilities are and should be cutting costs as one measure to keep rates down.

"Everybody is having to pull up their belts," Partain said.

With more than 1.3 million customers, Florida Power ranks second only to Miami-based Florida Power & Light Co. in size.

The company provides electric service in areas ranging from Pinellas to Orange counties and in parts of Polk, Pasco, Manatee, Citrus, Hernando, Marion and other counties.

The job-cutting is likely to be received with some surprise locally, said Gary Hovis of Argus Research in New York.

"This is a drastic move in an industry where job security is expected," he said.

Publication – ORLANDO SENTINEL Date 11-12-92
Page Number D1

Florida Power to reduce staff by 200

[ ] 'Our goal is to reshape the company without layoffs,' says the president of the electric utility.

COMPILED FROM STAFF AND WIRE REPORTS

ST. PETERSBURG – Florida Power Corp., the state's second-largest electric utility, plans to cut 200 jobs by early 1994, a company spokesman said Wednesday.

The goal is to reduce staff by 3.5 percent as part of a realignment to shave costs, said Will Rodgers. The utility, based in St. Petersburg, employs 5,718.

Florida Power has more than 1.3 million customers in a 32-county service area, including 412,000 in Central Florida, and is second in size to Florida Power & Light Co., based in Miami.

The FPC realignment, viewed as a competitive action by analysts, will cut across the board and include hourly, salaried and some managerial jobs.

President Allen J. Keesler, Jr. issued an internal statement Monday briefly outlining the plan.

"It's a fact of life that ultimately someone might have to be displaced but our goal is to reshape the company without layoffs," Keesler wrote.

He added that if voluntary reductions through attrition and early retirements don't work, layoffs will be considered.

Company officials said no final decisions have been made on where the cuts might be made. "No specific locations have been announced. We'll look at the situation company wide," said Karen Raihill, a company spokesperson in St. Petersburg.

The work force reduction is designed to have the company's total employment on Jan. 1, 1994, be the same as on Jan. 1, 1991, Raihill said. The company employs about 1,500 in Central Florida.

The planned reduction falls in line with what some other large utilities across the nation are doing to improve earnings in an industry with limited growth prospects.

"I think it's just an overall attempt to make sure the organization remains competitive," Leonard Hyman of Merrill Lynch Global Securities Inc. in New York, said Tuesday.

Some large utilities such as Florida Power have been examining methods to keep commercial rates down in light of growing competition from independent and municipal power companies and pressure from government regulators.

"It's not unthinkable that in the near future a large customer might buy its electricity elsewhere or even generate it itself," Hyman said.

FPC provides service in areas from Pinellas to Orange counties and in parts of Polk, Pasco, Manatee, Citrus, Hernando, Marion and other counties.

Jerry Jackson of the Sentinel *staff contributed to this report.*

EXHIBIT G

UNITED STATES DISTRICT COURT
IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

JAMES AKIN, et al.,

Plaintiffs,

vs.

FLORIDA POWER CORPORATION, et al.

Defendants.

CASE NO.
97-173-Civ-Oc-10C

WANDA L. ADAMS, et al.,

Plaintiffs,

vs.

FLORIDA POWER CORPORATION and FLORIDA PROGRESS CORPORATION,

Defendants.

CASE NO.
95-123-Civ-J-10A

AFFIDAVIT OF PATSY YEATES BAYNARD

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

BEFORE ME, the undersigned officer, duly authorized to administer oath, appeared PATSY YEATES BAYNARD well known to me who upon oath says and deposes as follows:

1. My name is PATSY YEATES BAYNARD, and I am over the age of eighteen.

2. I am a former employee of Florida Power and was employed with Florida Power from July 1975 until the time of my termination on December 1995 for a total of 20 years.

3. During my 20 years of service at Florida Power I held the following positions:

    a. Director, Research and Development 1993-1995
    b. Manager, EHV Project – 1990-1992
    c. Director, Environmental and Licensing Affairs – 1984-1990
    d. Special Assistant to Senior Vice-President, Engineering Services – 1983-1984
    e. Assistant to Vice-President, Nuclear Operations – 1982-1983
    f. Manager, Nuclear Support Services, Nuclear Operations – 1978-1982
    g. Nuclear Support Services – 1975-1978

4. During 1990 through 1992, as manager for the EHV Project, I worked for Phil Henry, Senior Vice-President of Engineering and Construction. As a manger of the EHV Project, I attended the staff meetings. During this time, Florida Power was offering "early retirement" packages to employees in their 50's. During the staff meetings, Mr. Henry stated on more than one occasion that if we knew anyone who had been offered the "early retirement" that we should encourage them to take it; because those employees who did not take the "early retirement" would probably be victims of the downsizing. Mr. Henry indicated that

an early retirement package would be offered providing for insurance coverage of spouses to entice older employees to take advantage of this option, stating future early retirement packages would not be as good and would not provide for insurance for spouses.

5. During late 1992 and 1993, Florida Power was engaged in what they described as "downsizing". During this time, I was a member of the Strategic Planning committee which also included Richard Korpan, Executive Vice-President, Florida Progress Corporation; Patricia Blizzard, Director of Environmental and Licensing Affairs; Susan Johnson, Director of Strategic Planning; Allen Keesler, John A. Hancock, Richard Neiser, Joseph "Joe" Cronin, Maurice Phillips, Phil Henry and George Green all Senior Officers of Florida Power Corporation. Mr. Korpan, Ms. Blizzard and Mr. Neiser were also known to be attorneys.

6. As part of the preparation for the Strategic Planning process, a statistical evaluation was completed of the workforce to correlate age, years of service, cost of benefits and liabilities at the time of retirement. This evaluation and the stated desire to provide career opportunities, management growth, and get rid of older employees who were set in their ways resulted in the impetus for downsizing. It was stated that the thrust was not to reduce the number of employees but to put together a plan that would get rid of older employees, reduce costs and bring younger employees into the workforce. At this time, Dick Neiser, George Green and Joe Cronin were asked to take an "early" retirement. Their leaving made way for the younger employees.

7. As early as 1992, during one of the Strategic Planning meetings, Susan Johnson stated that Florida Power's

older employees were the targets for the Reductions-in-Force.

8. During the numerous monthly Strategic Planning meetings that I attended, the decision for a company-wide "downsizing" was discussed and decided upon. During a meeting at Howey-in-the-Hills, Florida, Mr. Korpan stated that "if employees had been with the company over five years, they were part of the problem rather than the solution to meet the competitive needs of the future". He also indicated that Florida Power needed to "get rid of the older people" and stated that "older people had nothing to contribute to the corporation." It is my personal knowledge that the decision to "downsize" was unequivocally directed from the highest levels of management of Florida Progress and Florida Power, and specifically, Mr. Korpan, Vice-President of Florida Progress Corporation directed Florida Power's Senior Management to implement the "downsizing" through directives to lower levels of management.

9. I am further aware that the Information Services Department (also referred to as Information Technology) was ordered to reduce its staff by 58 people. *See Exhibit A page 46 & Exhibit B, page 49 of Florida Power's 1994-98 Strategic Plan.*

10 Although I am not aware of each and every one of the directives, Senior Management issued the directives as to how to carry-out the "downsizing". Mr. Miller directed me to "get rid of one-half" of the people in my department. I am personally aware that Senior Management did set goals and/or targets for the "downsizing" as discussed in Florida Power's 1994-98 Strategic Plan and of which I was a participant.

11 During the Strategic Planning meetings, Mr. Korpan and Ms. Blizzard routinely issued directives to Florida Power regarding minute management details which were then carried out by Florida Power's Senior Management.

12 During the Strategic Planning meetings everyone was instructed by Ms. Blizzard not to take notes and to never put any of the issues discussed during the meetings in writing.

13 After one of the Strategic Planning meetings, Pat Blizzard told Dave Miller, in my presence, that the Career Transition Agreement, which was to be offered to persons being terminated, had no real legal basis, but it would "ward off" litigation. Frequently during the Strategic Planning meetings, Senior Management emphasized the need to handle the Reduction-in-Force in a manner so as to avoid litigation.

14 By August, 1995, after the lay-offs which primarily targeted employees over the age of forty, I personally observed that the "older" male employees in Marketing and Energy Services Sections of the Energy Distribution Business Unit had "dyed" their hair to hide the "gray" thus creating Florida Power's corporate culture. I also observed that a number of other senior managers in other parts of the organization were beginning to "dye" their hair to hide the "gray".

15 Although there was much discussion by senior management in general, and Dave Miller specifically, that Florida Power needed people with the "skill sets for the future", there was never given or discussed what the definition of those skill sets included.

16 In the Fall of 1995, I attended a Florida Progress meeting attended by the first three levels of Senior Management of Florida Progress and Florida Power which was held at Innsbruck [sic] Resort. The guest

speaker at this meeting, Judith M. Barwick, presented her ideas expressed in her book *Danger in the Comfort Zone: From Boardroom to Mailroom – How to Break the Entitlement Habit That's Killing American Business.* At this meeting, Mr. Korpan openly expressed that Florida Power's "older employees" epitomized the "mentality of entitlement" and concluded that this is why we need to get rid of older employees.

FURTHER AFFIANT SAYETH NAUGHT.

/s/ Patsy Yeates Baynard
PATSY YEATES BAYNARD

SWORN TO AND SUBSCRIBED before me, by PATSY Y. BAYNARD who is either personally known to me or who had produced DRIVER'S LICENSE as identification, this 16th day of SEPT., 1998

/s/ Cheryl A. Scalzo
Notary Public, State at Large

My Commission Expires:

[SEAL] CHERYL A. SCALZO
MY COMMISSION # CC 732243
EXPIRES April 8, 2002
Bonded Thru Notary
Public Underwriters

EXHIBIT A

* * *

Florida Power Corporation 1994-1998 Strategic Planning
Page 46

2. Information Technology

Strategic Rationale

One of the two identified differentiation strategies necessary to attain FPC's mission and objectives is the exploitation of advanced information technology tools that create strategic competitive advantage. Central to this strategy is a shift from merely seeking existing problem areas that could be improved via more automation, toward a full recognition of the powerful potential inherent in information technology's ability to achieve entirely new end results. It is only through this aggressive use of information technology tools that FPC will be able to radically, not marginally, alter what we do and how we do it.

Definitions

For purposes of this Corporate Services Strategic Plan, ~~For purposes of this Corpco Strategic Plan,~~ and as indicated in the FPC Policy and Departmental User Manuals, information technology tools are defined to be all Corporate computer-related hardware, software, systems, networks (including voice, data, video, etc.), data, files and databases; whether purchased from third party vendors or developed by FPC personnel; irrespective of use, functionality, or location within FPC.

Specific Objectives

In order to achieve the four identified Corporate objectives related to market share/external customer satisfaction, financial results of operation, organizational design and flexibility, and overall cost reduction, specific objectives have been set for the Information Technology function. In summary, these objectives are to:

- Reduce headcount within the Information Services Department (ISD) by 58 people, or $1.6M annually, within one year via reorganizations, reengineering and new business alignments
- Achieve overall Corporate cost savings of $310 million within 10 years via the implementation of fully integrated strategic systems, developed through the strategic partnership with Andersen Consulting in the Solution Works joint venture. The savings break down as follows:
  - $100M Customer Service System
  - $150M Distribution Automation Systems
  - $ 60M Other Strategic Systems (9)
- Achieve computer operations cost savings of at least $14M within 10 years (post 1998) via the migration from a mainframe-centric technology architecture to an open system, client/server architecture based on the Unix operating system. Additional application specific cost benefits will be added

* * *

EXHIBIT B

* * *

Florida Power Corporation 1994-1998 Strategic Planning
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[Chart Omitted In Printing]

1. **Downsize Information Services**

   By December 31, 1994, Information Services will reduce its total resources by 58 positions from the 1993 level, which is a reduction of about 15%. This will be accomplished through elimination of vacancies, termination of unsatisfactory performers, the early retirement program, and the redeployment program. The result will be a flatter management structure with wider spans of control, centralization of overlapping functions, and re-engineered system development and maintenance functions in order to do more with less. For example, maintenance on major systems will be packaged into larger, less frequent releases, reducing overhead and enabling resources to be shared across more systems. This release process will also enable management to more effectively control maintenance costs by evaluating the costs and benefits of releases as they are planned and scheduled

2. **Information Services Joint Venture**

* * *

EXHIBIT H

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

PATRICT BURKE,
ROBERT KESSLER,
DORINDA RODNEY,
JAMES SCALES, and
ARLENE SCHWEMMER,

Plaintiffs,

vs.

FLORIDA POWER
CORPORATION,

Defendant.
_____/

Case No.:
96-1184-CIV-T-26C

AFFIDAVIT OF CYNTHIA BEHRENS-BOGA

BEFORE ME, personally appeared the undersigned officer, duly authorized to administer oath, appeared CYNTHIA BEHRENS-BOGA, upon oath says and deposes as follows:

1. My name is CYNTHIA BEHRENS-BOGA, and I am a former employee of FLORIDA POWER CORPORATION.

2. For a number of years, from 1980 to approximately 1991, I was confidential secretary to the Director of the Quality Programs Department. During that time, I had approximately five bosses, the last being Bruce Hickle.

3. On two occasions, in 1986 and 1989, I was temporarily transferred to the Vice President of Nuclear Operations to cover for his confidential secretary when she was out on medical leave.

4. On those two occasions, I saw what was commonly referred to by the directors, managers and vice presidents as the "birthday book." The first time I saw this book in approximately 1986, it was a computer printout, bound in blue, which listed all employees, alphabetically, and gave their dates of employment, Social Security Number, salary and date of birth. In 1989, I saw another version of this list which had this information, together with the benefits each employee was being paid, including medical expenses and whether they had spouses or dependents.

5. As confidential secretary, I was required to attend various directors meetings to take notes. The birthday book was referred to often in these meetings as "the birthday book."

6. In November 1991, I transferred to the Quality Systems Department to get back out into the plant. At or about this time, Arthur Anderson and Company was conducting a survey of each employee and each position and among the things they used was the "birthday book."

7. We were told in staff meetings that Arthur Anderson was evaluating all workers.

8. In approximately 1990, I was given the birthday book to compile a list for the Quality Programs Department and as such, I re-typed the information from the

birthday book as it pertains to employees to the Quality Programs Department.

9. In 1989, all directors were given a copy of the birthday book and told to speak to the managers and supervisors under them to have the information verified and make sure that all people were accounted for on the book.

10. The birthday book was stamped "confidential." I was told to treat it as confidential information and told to lock it in my filing cabinet whenever I was away from my office.

11. The secretaries who attended the directors meetings to take notes, typed their notes and put them into a file after they were typed.

FURTHER AFFIANT SAYETH NAUGHT.

/s/ Cynthia Behrens-Boga
CYNTHIA BEHRENS-BOGA-
AFFIANT

STATE OF FLORIDA
COUNTY OF Citrus

SWORN TO AND SUBSCRIBED before me, by CYNTHIA BEHRENS-BOGA, who is either personally known to me or who has produced _____ as identification, this 11th day of December, 1997.

/s/ Debra L. Faul
Notary Public, State at Large

My Commission Expires:

[SEAL]
DEBRA L. FAUL
MY COMMISSION
#CC480471 EXPIRES
July 13, 1999
BONDED THRU TROY
FAIN INSURANCE, INC.